

bulletin





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THE UNITED NATIONS AND SPECIALIZED AGENCIES

Strengthening the United Nations

STATEMENT BY GEORGE C. MARSHALL¹

Secretary of State

MR. CHAIRMAN, GENTLEMEN:

I will outline for the Committee the views of the State Department with respect to the structure of the United Nations and the relationship of this Government to the United Nations. I will try to place in perspective the steps which this Government has taken, and the proposals now before the Committee, on this subject.

The interest shown by the great majority of Americans in the United Nations and in increasing its effectiveness is an impressive fact. A vast amount of thought is being devoted throughout our country to means of furthering the objectives of the Charter in the prevailing world circumstances. The attitude of the United States towards the problems of the United Nations will have a profound effect on the future of the organization.

A clear understanding of the international situation is essential to decisions on the course we should pursue. Neither the United Nations nor any other form of world organization can exist as an abstraction without relation to the realities of a given world situation.

The United Nations was conceived on the assumption that certain conditions would develop following the war. These were: (1) that the major powers charged with responsibility for working out peace settlements would complete their task promptly and effectively; (2) that the critical postwar conditions in the economic and political fields would be brought to an end as speedily as possible; and (3) that the cooperation among the great powers pledged during the war and reflected in the Charter would be continuing.

The United Nations was specifically designed to preserve the peace and not to make the peace. The task of making the peace settlements was specifically recognized by article 107 of the Charter as one for the responsible victor powers. The United Nations can assist in this task, but the improve-

ment of the United Nations machinery would not in itself solve the problem. Since the most important of the peace settlements have not been agreed upon, the United Nations has been compelled to carry on its activities under world conditions far different from those contemplated by the Charter.

It was obvious to the framers of the Charter of the United Nations that an effective organization to preserve the peace must include every major power. The San Francisco conference created an organization, the purposes and principles of which corresponded with the objectives of the United States foreign policy. The organization as developed at San Francisco received the overwhelming endorsement of the American people and had the virtually unanimous approval of the United States Senate.

This organization was designed to consolidate and strengthen over a long period of time the foundations of peace through common action in solving political, economic, social, cultural, and health problems. Machinery was established for the settlement of international disputes by peaceful means so that the advice and assistance of all members, and the mobilization of world public opinion, might be brought to bear in the pacific settlement of disputes. It was found possible to go considerably farther than the League of Nations in the establishment of enforcement machinery, but at the San Francisco conference none of the major powers was prepared to grant to this organization the right of enforcement against a major power.

When universal agreement to the Charter was achieved, the strength of the major powers in relation to one another was such that no one of them could safely break the peace if the others stood united in defense of the Charter. Under existing

¹ Made before the House Foreign Affairs Committee on May 5, 1948, and released to the press on the same date.

world circumstances the maintenance of a comparable power relationship is fundamental to world security.

The aspirations of the people of the world as set forth in the Charter of the United Nations have been shaken by developments since the summer of 1945. It gradually became apparent that the postwar conditions anticipated at San Francisco were not being realized. The failure of concerted action by the major Allies rendered it necessary for the United States Government to attempt to create the desired postwar conditions in cooperation with other states willing to do so.

It became progressively clearer that serious misconceptions prevailed in the minds of the leaders of the Soviet Union concerning western civilization and the possibilities for developing stabilized working relations between the Soviet Union and the other members of the community of nations. It is a misconception to suppose that domination of the world by a single system is inevitable. It is a misconception to suppose that differing systems cannot live side by side in peace under the basic rules of international conduct prescribed by the Charter of the United Nations. These rules are obligatory upon all members.

A fundamental task of the United Nations and of our foreign policy is to dispel the misconceptions of the Soviet leaders and to bring about a more realistic view of what is possible and what is impossible in the relationship between the Soviet Union and the world at large. In this way there can be restored to international society the equilibrium necessary to permit the United Nations to function as contemplated at San Francisco.

Our realization of the need for this equilibrium has led to action along several lines, all designed to create conditions favorable to the working of the United Nations. The first necessary step was to insure the freedom and independence of the members. The ability of democratic peoples to preserve their independence in the face of totalitarian threats depends upon their determination to do so. That determination in turn depends upon the development of a healthy economic and political life and a genuine sense of security.

Therefore, the United States Government is responding to requests to provide economic assistance to various countries in Europe and elsewhere. The United States is cooperating with 16 European countries in a recovery program providing for self-help and mutual aid.

The United States Government is now considering the steps necessary to bring the national military establishment to the minimum level necessary to restore the balance of power relationships required for international security.

The United States is acutely aware that the return of a sense of security to the free nations of the world is essential for the promotion of con-

ditions under which the United Nations can function. The necessary steps for self-protection against aggression can be taken within the Charter of the United Nations. The Charter recognizes in article 51 the right of individual and collective self-defense against armed attack until the Security Council has taken the measures necessary to preserve peace and security. Articles 52, 53, and 54 provide for regional arrangements dealing with the maintenance of international peace and security, on condition that such arrangements are consistent with the purposes and principles of the Charter.

In recognition of the possibility foreseen in the Charter that an armed attack might occur upon a member of the United Nations, despite the binding obligations accepted by every member to refrain from the threat or use of force against another state, the United States and the other American republics concluded at Rio de Janeiro last year a treaty for individual and collective self-defense. Certain countries of western Europe likewise have organized themselves into a Western Union, for their individual and collective self-defense. By such arrangements under article 51 of the Charter and the articles providing for regional arrangements, constructive steps have been taken to bulwark international security and the maintenance of peace. Our intention to afford encouragement and support to arrangements made by free nations for the preservation of their independence and liberty has already been stated by the President in his message to the Congress on March 17th.

The United States Government has followed an active policy of strengthening the existing machinery of the United Nations.

(1) We have endeavored to assure that the United Nations would carry out its responsibilities in dealing with the dangerous political issues which have arisen in various quarters of the world. We have sought to promote its basic work on economic problems, human rights, freedom of information, health, and related needs.

(2) We have made proposals toward restraining the use of the veto in the Security Council and reducing the scope of the veto through its elimination from matters of pacific settlement and the admission of new members.

(3) We proposed the establishment of an Interim Committee of the General Assembly, popularly known as the Little Assembly, to consider various possibilities for improving international cooperation and to put to work the undeveloped powers of the General Assembly in the field of international security. By means of this Committee the far-reaching influence of the General Assembly is being brought more effectively to bear in fulfilling the purposes and principles of the Charter.

The United Nations is the forum of daily world negotiation. It is the world's vehicle for dealing with basic economic and social maladjustments, for developing safeguards of essential freedoms, for advancing the development of dependent peoples and areas.

On several occasions negotiation in the United Nations, even during its short history, has postponed fighting long enough to remove the cause for fighting. It is a forum of negotiation where charges or distortions are held answerable, where violations of treaty obligations must meet the verdict of world opinion, and where those responsible must answer for their conduct. It is a forum where the nations of the world are called upon to uphold the purposes and principles of the Charter. United Nations negotiation affords continuing working contacts in international relations and an open door to communication between the East and the West.

A number of projects designed to improve international conditions by new forms of international organization have been proposed. These projects envisage radical changes in the existing United Nations Charter. Some propose the elimination of a veto on enforcement measures, the establishment of inequality of voting among the major powers, and the virtual elimination of the influence of small nations in Security Council decisions. Others go beyond the revision of the United Nations Charter and call for the establishment of new forms of international structure along the lines of world government. In general, the proponents of these projects recognize the probability that the proposals would not be accepted by at least one of the major powers and by a number of other governments now members of the United Nations. They advocate that in this case the respective projects be put into effect among such nations as would accept them.

All of these projects appear to rest on the assumption that the present unsatisfactory state of world affairs is a result of inability on the part of the United Nations to prevent aggression; that this inability arises from the exercise of the veto power in the Security Council and the lack of a United Nations police force; that if the veto power on enforcement decisions could be removed and the United Nations provided with armed forces, aggression could be prevented; and that the principal barrier to world peace would thereby cease to exist.

The general assumption rests I think on an incomplete analysis of our main problems of foreign policy at this juncture and of the part which international organization can play in solving them.

The underlying problem in the immediate future is to bring about the restoration of economic, social, and political health in the world and to give to the peoples of the world a sense of security which is essential for them to carry on the

task of recovery. What is needed for the achievement of a world order based on law and dedicated to peace and progress is a widespread improvement in the material and social well-being of the peoples of the world. The responsibility for such improvement will always rest primarily upon the peoples and governments themselves. In this field the United Nations, however, can play an increasingly active role.

The factor of military strength is of immediate and major importance in the present world situation, but is not the element which will be paramount in the long run. The emphasis often placed solely on the military aspects of world affairs does a disservice to the cause of peace. The more that present differences are talked about and treated exclusively as a military problem, the more they tend to become so.

The problems today presented to those who desire peace are not questions of structure. Nor are they problems solvable merely by new forms of organization. They require performance of obligations already undertaken, fidelity to pledges already given. Basic human frailties cannot be overcome by Charter provisions alone, for they exist in the behavior of men and governments.

The suggestion that a revised United Nations, or some form of world government, should be achieved, if necessary, without those nations which would be unwilling to join, deserves special attention. Such a procedure would probably destroy the present United Nations organization. The result would be a dispersal of the community of nations, followed by the formation of rival military alliances and isolated groups of states. This result would weaken us and expose us to even greater dangers from those who seek domination of other states.

It is not changes in the *form* of international intercourse which we now require. It is to changes of *substance* that we must look for an improvement of the world situation. And it is to those changes of substance that our policy has been directed. When the substance of the world situation improves, the United Nations will be able to function with full effectiveness. Meanwhile we will continue our efforts in cooperation with other governments to improve the working of the United Nations under the Charter.

The United Nations was created after years of study and after many months of difficult negotiations. It now has 58 members. It is the symbol of the aspirations of mankind. Its success is the hope of mankind. All new efforts to attain order and organization in the affairs of men require time to grow roots in the loyalties of men. The history of our own people testifies to this necessity. Let us not in our impatience and our fears sacrifice the hard-won gains that we now possess in the United Nations organization.

STATEMENT BY AMBASSADOR WARREN R. AUSTIN¹

U.S. Representative at the Seat of the United Nations

I am deeply moved by the desire to strengthen the United Nations that is demonstrated by the Congress in calling these hearings. Earnest and continuing support of the United Nations is clearly needed in a world which has suffered two devastating wars in 25 years, which faces the danger (which is filled with fear) of a third, and in which over half the people are both hungry and illiterate.

Building peace and security in such a world is a tremendous job. Fortunately, the work of securing agreement among sovereign nations on the plan for an international organization to maintain peace was begun while a majority of them were united in fighting a common enemy.

Structure of the United Nations

The men who wrote the Charter at Dumbarton Oaks and San Francisco realized that an international organization formed to preserve the peace must include every major power in its membership, with no exceptions. That was true in 1945; it is true today. To attain that goal, each member had to pay a price. Each had to yield on some of its own desires as to the shape of the Organization and to accommodate itself to the wishes of others.

The Charter which resulted clearly defined the effort which would be required if the peoples of the world were to find the peace, the freedom, and the decent living which they earnestly sought.

The first task was the removal of the causes of war.

The Charter was framed to combine the efforts of the members of the United Nations in creating the conditions of peace through joint action.

The second task was to substitute for war pacific settlement of disputes.

The third task was to insure collective security by peace forces voluntarily agreed upon by members.

Assuming that the numerous and varied efforts of the Congress, of state legislatures, of towns and cities, as well as of important civic organizations, recognize the need for the United Nations and are intended to strengthen it—then there must be a reconciliation among them and with the members of the United Nations which is based on reality. It goes without saying that such a reconciliation cannot occur if the purpose is something else. If the purpose should be to discredit the United Nations as impotent or to dissolve it in order to try erecting a new organization with its rubble, there cannot be reconciliation.

¹ Made before the House Foreign Affairs Committee on May 5, 1948, and released to the press on the same date.

What I have to say is based upon the assumption that we all seek to take measures that are practicable and feasible for preserving and strengthening the United Nations.

In the beginning, we must consider the reality of the unanimity rule bearing upon amendment of the Charter. Article 108 provides that amendments cannot come into force without ratification by all of the permanent members of the Security Council. I can give you positive evidence that such unanimity is not now possible.

On January 19, 1948, the five permanent members met at my request and considered suggestions to amend the Charter with respect to the use of the veto on matters of pacific settlement and upon petitions for membership. You will recognize that these suggestions are far less drastic than any of the proposals for revision now before you. Only one of the five was willing to amend the Charter in this regard: that was the United States of America.

It is my firm conviction that, in the present conditions confronting the world, at least four of the permanent members will exert their influence to prevent a convention being called under article 109 for reviewing the present Charter with a view of amending it.

Therefore, what procedure should we adopt? In the first place, we have to know where our trouble is and the specific objective we are aiming at. If experience for the brief life of the United Nations is a guide safe to be followed, then we ought right here and now to consider that experience. What is it?

Let us look at what has been accomplished in connection with the first task, namely, removal of the causes of war.

Accomplishments

The Economic and Social Council now has 12 commissions of experts at work. These include three regional economic commissions which are studying the feasibility of concerted regional action for raising levels of economic activity. A fourth is starting. Rules have been agreed upon for increasing international trade in a changing world economy and organizing to make these rules effective. Specialized agencies are at work on financial problems, on health problems, on problems of human rights and the freedom of information.

The three postwar years have seen the building of more instruments for constructive international cooperation than ever before in history. During this year, the United Nations network of international organizations is bringing governmental representatives together at more than 2,500 meetings.

The Food and Agriculture Organization provides a good example of what is actually being done.

Its studies have revealed that with the expected increase in population, food production in the next 25 years must be increased 110 percent if we are to avoid mass starvation with all its accompanying hazards to peace and stability.

Consequently, it has established the World Food Council to help allocate exportable food surpluses and fertilizers, to promote the production and distribution of farm machinery, and to focus attention on dangerous food situations.

It has sent agricultural experts on special missions to Greece, Poland, and Siam to work out plans for increased agricultural production in these countries.

It has held international conferences to increase production of rice, cereals, and timber. It has helped countries in the Near East to begin deep-well irrigation and swamp-drainage projects.

It is aiding Peru to establish refrigeration and storage facilities for its fishing industry. Iran, Czechoslovakia, and China have received help on specific projects to increase their food supplies.

It has undertaken other food-producing measures such as field demonstration schools in western Europe on hybrid corn, artificial insemination, and veterinary techniques.

It has given advice to the International Bank on loans for the purchase of agricultural and industrial machinery.

These positive accomplishments are little known. The conflicts that have been prevented never make the headlines. A single veto in the Security Council gets more publicity than an entire session of the Trusteeship Council or the Economic and Social Council. And it is easy to forget that there is no veto in any of the United Nations agencies which are advancing the economic, social, and ethical standards of mankind. Collective effort to remove the causes of war and create the conditions of peace cannot be vetoed.

We have given only a partial survey of the work which one of the 12 specialized agencies of the United Nations has under way to remove conditions that lead to conflict. These agencies are at work removing ill health, poverty, ignorance, economic conflict, and intolerance, which are causes of shooting war. Let us encourage and not hinder them. Let us support the United Nations instead of destroying it.

The second task is comprehended in chapter VI, "Pacific Settlement of Disputes." This task is being performed, but here help is needed.

War cannot be abolished without substituting something for it. Historically, it has been a means of determining political solutions. Yet, its results are so tragic that other means must be found to arrive at real solutions. The dreadful curse of massacre is an impelling force which drives us

forward toward all reasonable measures for strengthening the capacity of the United Nations to perform its second task.

Chapter VI, "Pacific Settlement of Disputes," is by far the most important part of the Charter. Experience in the United Nations with disputes, "the continuance of which is likely to endanger the maintenance of international peace and security," leads to the judgment that we should stay within chapter VI just as long as it is humanly possible to do so.

The frailty in the Security Council to which I wish to point is one of procedure. We have encountered a misuse of the veto. It is in chapter VI, where we seek to substitute for war the great principle of agreement, that the misuse of the veto has caused skepticism, criticism, and search for improvement. Right here it is necessary to reconcile with the facts the efforts at strengthening the United Nations.

The Soviet Union has exercised the veto 23 times—eleven times on membership applications, nine times on issues of pacific settlement, and three times on the Balkan issue.

It is not true that the United Nations has failed because of this veto. On the contrary, it has succeeded in spite of the veto, as I will demonstrate. However, it is true that the United Nations could expedite its service and accomplish more effective solutions of disputes and situations if the veto privilege were not permitted to interfere with pacific settlement of disputes.

I wish to persuade you, from the facts. Your earnest work toward strengthening the United Nations is encouraging because of the influence which your views may have upon the adoption of improved practices and procedures within the Charter. When it becomes feasible to amend the Charter in respect of chapter VI, as well as in respect of admission of new members, the strong position you will have taken in criticism of this frailty should prove to be of great assistance to the members of the United Nations. That time has not arrived, as I will point out.

Now, first let me show what has actually happened in the use of the United Nations to substitute pacific solutions for war.

1. The Security Council succeeded in inducing the Soviet Union to withdraw its troops from the territory of Iran.

2. The withdrawal of British and French troops from Syria and Lebanon was a result of a Security Council expression of strong views.

3. The Security Council has helped to protect the political independence and territorial integrity of Greece, even though the Soviet Union three times vetoed efforts to deal with the situation. Twice the vetoes overcame a majority of nine, which supported resolutions finding that assistance to and support of guerrillas on the northern bor-

ders of Greece constituted a threat to the peace within the meaning of chapter VII of the Charter. The third veto was on a resolution requesting the General Assembly to make recommendations in the Greek case. The veto failed in its purpose; it did not bar all United Nations service for peace. The Security Council merely divested itself of the subject, and the General Assembly, five weeks later, passed a resolution calling upon Albania, Bulgaria, and Yugoslavia to do nothing which could furnish assistance to the guerrillas.

The General Assembly also established the Balkan Commission with headquarters at Salonika to observe the compliance with the recommendations and to assist in implementing them. These recommendations outlined specific methods for settlement of their disputes by peaceful means. This Balkan Commission is now at work on the ground. The tremendous moral effect of surveillance by all of the rest of the world is now being witnessed.

The United Nations certainly has upset the timetable of the aggression of Communism in Greece. The United Nations is helping Greece in her struggle for freedom. The United States in cooperation with the United Nations has helped Greece to preserve her independence.

4. Indonesia was another situation, the continuance of which might have led to a threat to international security and peace. War had already begun between the Dutch and Indonesians, but the Security Council was able to obtain a truce. Moreover, a Good Offices Committee was set up, which helped to determine lines of demarcation between the forces and to obtain agreement on 18 principles to guide the setting up of the United States of Indonesia. Progress is now being made on the basis of those principles. This was an achievement which involved the peace and security of a population equal to half of that of the United States. In addition, one of the great consequences of the pacific settlement of this dispute is to give strength to the movement away from the old colonial system toward self-government and independence. This movement is of critical importance to a vast area both in Asia and Africa. We find it involved indirectly in the next item—India-Pakistan.

5. India and Pakistan brought their dispute over Kashmir to the Security Council with representations that, if the conditions continued, war of communal intensity might break out all over the subcontinent. Four hundred million inhabitants of the newly established free dominions of India and Pakistan were on the verge of war. If the United Nations had not been available to them, the conditions, now bad enough, would certainly have been much worse by this time.

Their case was kept within chapter VI. Prolonged, difficult negotiations were tried without agreement between the parties; whereupon the Security Council adopted recommendations for a

truce and a plebiscite. These recommendations are not compulsory but are a guide and help to the parties if they acquiesce in them. This matter is still pending. But already it has rendered a great service in cooling off the parties and in keeping the violence from spreading.

In both of these last two cases the veto privilege existed but was not exercised. The Soviet Union opposed but did not veto. Instead, it followed the procedure of abstaining from voting. In passing, let me point out that this procedure has grown out of experience and has whatever validity custom can give, because it has been employed by all of the great powers several times.

6. In the Korean case, the General Assembly was called upon for help when negotiations between ourselves and the Soviet Union on establishing a government in Korea reached an impasse. Now, a General Assembly commission is in operation in Korea preparing for a plebiscite. This plebiscite, under United Nations observation, will be held in the whole of Korea, if possible; but if not possible, it will be held in the southern zone which contains at least two thirds of Korea's total population.

The Soviet Union is not participating in this Korean Commission; but at no time in its history did the veto apply because the Commission is a subsidiary organ of the General Assembly under article 22.

7. The Palestine case illustrates the basic doctrine that General Assembly recommendations depend wholly on voluntary cooperation. It was brought by Great Britain, the mandatory power, to the General Assembly for recommendation respecting the future government of Palestine. On November 29, 1947, the General Assembly adopted a resolution recommending the partition of Palestine; but it referred the resolution to the Security Council for action of the following nature:

"The General Assembly, . . .

"*Recommends* to the United Kingdom, as the mandatory Power for Palestine, and to all other Members of the United Nations the adoption and implementation, with regard to the future government of Palestine, of the Plan of Partition with Economic Union set out below;

"*Requests* that

"(a) The Security Council take the necessary measures as provided for in the plan for its implementation;

"(b) The Security Council consider, if circumstances during the transitional period require such consideration, whether the situation in Palestine constitutes a threat to the peace. If it decides that such a threat exists, and in order to maintain international peace and security, the Security Council should supplement the authorization of the General Assembly by taking measures, under Articles 39 and 41 of the Charter, to empower the United

Nations Commission, as provided in this resolution, to exercise in Palestine the functions which are assigned to it by this resolution;

"(c) The Security Council determine as a threat to the peace, breach of the peace or act of aggression, in accordance with Article 39 of the Charter, any attempt to alter by force the settlement envisaged by this resolution;

"(d) The Trusteeship Council be informed of the responsibilities envisaged for it in this plan;"

This was done by virtue of paragraph 2 of article 11, providing, among other things: "Any such question on which action is necessary shall be referred to the Security Council by the General Assembly either before or after discussion."

This case is so well known that I need only point to the fact that the Security Council denied action. On the motion of the United States to accept the request of the General Assembly to implement the plan, only five votes could be obtained in support of it, namely: the United States, the Soviet Union, France, Belgium, and the Ukraine. Thereupon, the Security Council directed the five permanent members to consult on whether or not the situation in Palestine constituted a threat to international security and peace and also to report what recommendations ought to be made to the United Nations Palestinian Commission to carry out the partition plan. They found and reported that the partition plan could not be implemented by peaceful means, and they were unable to make the finding of a threat to international peace. Therefore, the problem of Palestine was again referred to a Special Session of the General Assembly where it is now under consideration.

8. In addition to the Security Council and the General Assembly, the resources of the International Court of Justice are being utilized in the pacific settlement of disputes.

British charges against Albania resulting from the damage by mines to two destroyers and the loss of 44 lives in the Corfu Channel are now before the Court. Here is another case where a Soviet veto failed to achieve its purpose. The Soviet Union vetoed a Security Council resolution fixing the blame upon Albania, but the case was referred to the International Court for adjudication nonetheless, and both parties have recognized the jurisdiction of the Court.

9. The Court also is considering the validity of Soviet vetoes of membership applications. Its findings should be ready in time for consideration by the regular session of the General Assembly in September.

10. Even when Security Council action is stymied by the misuse of the veto a great deal is accomplished nevertheless. The current Security

Council consideration of the coup in Czechoslovakia is a good example. This entire proceeding has been conducted in the face of Soviet veto threats. But their threats cannot halt the Council's examination of evidence. If and when the veto occurs, the evidence will become part of the record.

Changes Are Needed

Notwithstanding these accomplishments, changes are needed. There are ways of working for them within the Charter.

Vigorous efforts are under way now to improve the machinery of the United Nations for the pacific settlement of disputes.

The United States was largely responsible for the establishment of the Interim Committee of the General Assembly. This Little Assembly, as it is generally known, is now studying a number of proposals aimed toward strengthening the machinery for the pacific settlement of disputes. Moreover, it is working on a series of suggestions to restrict the application of the veto and liberalize the voting procedures of the Security Council. The results of this work will be taken up at the next regular session of the General Assembly in September.

I believe that this distinguished Committee has a copy of a provisional list of Security Council decisions which the United States proposes should be made by an affirmative vote of seven members whether or not such decisions are regarded as procedural or non-procedural. Your views touching this effort could stimulate it. They would strengthen us in our efforts to obtain what is really needed: agreement among the permanent members that such voting procedures could be followed and the establishment of these voting procedures by rules.

This approach has a chance of success, it is realistic, and it recognizes the one essential in building a genuine system of collective security—Big Power unity.

No abandonment of universality should be tolerated. There is no real security without universality. We must not tear down this powerful buttress of the world organization. Instead, the structure should be braced on the inside.

East and West Relations the Core

The core of the world-security problems is the relationship between the East and the West. Since the end of the war, the rift between these two powerful groups has gradually widened. No matter what the machinery, no matter how stringent the Charter limitations, the operators of the machinery would still be the member states. If these states will observe the obligations contained

in the present Charter and cooperate within the present framework of the Organization, its gravest problems will be solved.

Creation of additional machinery would not affect the basic political situation with which we are confronted. What is necessary is a fundamental adjustment between East and West. This will have to be undertaken at the suitable time.

The fact that in the short span of its existence, the United Nations has not been able to solve this basic problem has profoundly affected the thinking of many members of Congress and of some of our most forward-looking civic leaders and organizations. But I have yet to find a single radical revision of the United Nations Charter which could, as a practical matter, be adopted at this time by any appreciable number of states and which, if adopted, would solve that crucial problem which is at the basis of present world insecurity. The most likely result of revision, under the present circumstances, would be the destruction of the United Nations.

U.N.—The Bridge Between East and West

The end of the United Nations would lead to the complete destruction of the political, economic, social, and technical activities of the United Nations. The present effectiveness of these activities stems to a great degree from the fact that all major powers and an overwhelming majority of other states take part in the organization. Once this relative universality of membership is destroyed, such collaboration as now exists would cease, and a complete break between the East and the West would occur. The only possible bridge between the East and West would collapse; and yet, the problem of bridging the gap between the East and West is precisely the crucial problem of our time.

The U.S. and the U.N.

Meanwhile, the United Nations affords us an equal opportunity to mobilize world opinion and action against activities which threaten peace and security. It provides an unsurpassed forum for explaining our policies to other states and peoples and for mobilizing their support. It serves as an instrument of negotiation with other powers. It permits the United States to act in concert with other powers in carrying out enterprises which this country could not or would not undertake unilaterally. It is the outstanding instrumentality for solving economic and social problems, safeguarding human rights and fundamental freedom, and improving the welfare of all the peoples. It is and should continue to be the cornerstone of our foreign policy.

Since the desire of the overwhelming majority of the American people is the strengthening of the United Nations, what, then, is the best course to pursue?

How To Strengthen the U.N.

Not one, but many acts are required.

One of the most important actions you have already initiated—I refer to the European Recovery Program. The United Nations is as strong as its members. An organization of economically weak and politically chaotic members cannot have strength itself. When only the United States and the Soviet Union are strong, rivalry between them is virtually inevitable. The successful completion of the European Recovery Program, in my opinion, will not only strengthen the United Nations but will reduce the rivalry which is a basic cause of today's difficulties.

Second, we should strengthen our own military posture. It is futile to talk about arming the United Nations when we know that our force is inadequate to fulfil existing commitments. If we strengthen our ability to protect international law and order, we strengthen collective as well as national security—we strengthen the United Nations.

Third, we should strengthen the military posture of our friends. History is full of evidence that the weakness of the just increases the malice of the wicked. We have acted to strengthen the economies of friendly states; now let us act to strengthen their military position.

Fourth, we should promote associations of like-minded states within the framework of the United Nations. The Act of Chapultepec, the Rio treaty and the Bogotá charter for the organization of American states are significant advances in this direction. Similar important associations are in the process of formation. There is, for example, the economic organization established by the 16 Marshall Plan countries. The unified defense system of the five western European states is another act which strengthens the United Nations.

Fifth, we should support specific efforts to strengthen the United Nations and help remove the causes of war. This means, I believe, that we should approve the loan for building the United Nations headquarters, join the World Health Organization, adopt S.J. Resolution 136 accepting the convention on privileges and immunities, and ratify the constitution of the proposed International Trade Organization.

Support for the United Nations, to be genuine and effective, must be constant. We should, as a leading member, negotiate and ratify specific conventions for the progressive development and codification of international law, for prevention of the crime of genocide, for the protection of human rights, and the promotion of freedom of information.

Wise, patient, and persistent action in efforts such as these will lead to the development of a strong United Nations and the fulfilment of its tasks.

The Headquarters Loan

The bill relating to the headquarters loan agreement has a significance which goes far beyond its terms. As a piece of financial legislation, it has some unusual features, but these are not of first-rank importance. The political implications of congressional action on the bill are important. Fifty-eight countries, besides the United States, have a stake in the United Nations. All of them will be observing carefully the action of the Congress in this matter.

They will do so because, in this period of tension and uncertainty, the decisions of this Congress can be of crucial importance for the future of the United Nations and for the success of international cooperation to keep the peace.

Nothing could be more crippling to the organization and to the attainment of its purposes than an official act of Congress which appeared to cast doubt on the wisdom and necessity of supporting the United Nations with all our energies.

Our willingness to play a leading part in the construction of the headquarters has always been regarded as a test of our faith in the United Nations.

History of Headquarters

The United States has never been found wanting in its material support for the organization. By the unanimous action of both Houses of Congress, on December 10 and 11, 1945, the United Nations was invited to make its headquarters in the United States. Through the generosity of Mr. John D. Rockefeller, Jr., and the City of New York, a site in the heart of New York City was made available without cost. The Congress cooperated by passing legislation exempting the transaction from federal gift tax. The conditions under which the permanent headquarters are to be set up in New York have been established by the headquarters agreement between the United Nations and the United States and approved by the Congress on August 4, 1947. The necessary demolition on the site has been completed. Internationally famous architects have unanimously agreed upon plans for an imposing group of buildings which will be a suitable center for world collaboration. The city authorities are ready to proceed with plans involving the expenditures, by the city, of some 20 million dollars for development of the approaches and improvement of the surrounding areas.

Finally, the United States has offered, subject to the approval of Congress, to make an interest-free loan to the United Nations in an amount not to exceed 65 million dollars to meet construction costs. The offer has been gratefully accepted. The terms of the proposed loan are before you for examination.

Thus the proposal before the Congress is the last link in a chain of events stretching over a period of almost two and one-half years. The United

Nations is ready to begin construction. The "world capital" foreseen by Congress in 1945 can at last become a permanent physical reality.

No Political Strings to Hospitality

Through all this period, the United States has scrupulously refrained from attaching political conditions to its hospitality. We did not ask that the United Nations should take this or that course, or develop in a particular direction, or amend its Charter, or revise its organizational structure, before it could establish its headquarters in this country. We invited the United Nations to these shores in the full knowledge of its possible limitations. We had signed and ratified the Charter. We did not "buy a pig in a poke". (See the 723 pages of hearings before the Committee on Foreign Relations, U.S. Senate, 79th Congress, 1st session.)

Now, however, the loan is associated with the Ferguson-Judd resolution. The implication is that until certain actions such as the calling of a special session of the General Assembly to debate a particular problem, or until the United Nations is reorganized so as to perform more effectively certain of its political functions, the loan may be retarded.

If the Congress should now take the view that we should not proceed with the loan agreement or begin construction of the headquarters until these things were done, a heavy blow would be struck both at the organization and at the sincerity and prestige of the United States. It would be unfortunate if other members of the United Nations should feel that we were attempting to use our financial resources in this case to achieve a political end. It would be equally unfortunate if they were to feel that we had so little faith in the United Nations that we were unwilling to make this demonstration of our support.

Provisions of the Loan

It is proposed that we lend the organization a sum not to exceed 65 million dollars. This will be repaid from the ordinary budget of the United Nations, to which we now contribute 39.89 percent of the total. What we would actually be advancing beyond our own proportionate share of the cost, therefore, is the balance over 60 percent of the principal of the loan. We would also, of course, in effect be making a gift to the United Nations of some 60 percent of the interest which might have been earned had the money been invested in some other enterprise.

It will be clear to the Congress, I am certain, that there is no feasible alternative to financing the construction of the headquarters by a loan.

Ordinarily it would have been desirable to raise the necessary funds through immediate cash contributions by all member states. But at this par-

ticular juncture, when so many are struggling to recover from the devastation of war and when all must contend with a critical shortage of dollar exchange abroad, dollar payments on the scale required would have imposed a very heavy burden on many states. Some would certainly have felt that, since the money was to be spent in this country, the United States might reasonably have been expected to make a higher proportionate contribution toward the cost of the buildings than it makes to the ordinary budget of the United Nations.

In my opinion, such an arrangement would have been most unfortunate. We have directed our efforts in the United Nations toward a reduction in our general budget quota. Our offer of an interest-free loan forestalled any suggestion that we should pay a disproportionate share of the construction costs.

Other Alternatives Surveyed

A number of possibilities for financing were explored before the United States consented to enter into the loan agreement. Arrangements for private financing would have been far from satisfactory. Under the most favorable terms, a large part of the total cost would still have had to be contributed in cash. The interest rate quoted was high. It would have been necessary to mortgage the buildings as security—a step which would have involved serious legal problems and which would have required legislative action by State and possibly Federal authorities. The plans themselves would have had to be reviewed with the lenders to assure the convertibility of the headquarters to other uses in the theoretical event of foreclosure. Finally, there is a strong psychological objection to placing the United Nations under obligation to private financial interests.

Other methods of financing were also canvassed without encouraging results. It was discovered that under its charter the International Bank for Reconstruction and Development could make loans only to member nations, or to business enterprises with a guaranty from the government concerned. Similarly, neither the Reconstruction Finance Corporation nor the Export-Import Bank appeared to have the statutory authority to make such a loan without specific congressional authorization.

These were the circumstances in which the United States Government entered the picture. A thorough study of the problem by experts in the Department of State and the Treasury resulted in the preparation of the plan suggested by the President to the United Nations.

Reasons for Interest-Free Feature

The interest-free feature of the proposed loan may be regarded as an offset to the financial advantages gained by the United States because the headquarters is located here. Quite apart from

considerations of prestige, the principal benefits to the United States may be summarized as follows:

First, there is a substantial inflow of funds from abroad to finance United Nations activities in New York. It is conservatively estimated that about \$20,500,000 was expended by foreign countries at the United Nations in 1947. This sum included the contributions of members to the United Nations budget, the expenditures necessary for maintaining permanent delegations in New York City, and expenses of the large delegations which attend the regular and special sessions of the General Assembly. There are also expenditures by delegates to smaller meetings, such as the Security Council, the Economic and Social Council, the Trusteeship Council, and many other gatherings held at the United Nations headquarters. This annual expenditure is likely to grow rather than to diminish.

Second, the United States Government makes an annual saving on the expenses of its own delegations because the United Nations headquarters is located in New York rather than in a foreign country. If the General Assembly were held each year in Europe, for example, the additional cost to the United States in travel, communications, and other conference expenses would be at least \$300,000 a year. Contact and communication between the Government in Washington and the United States Delegation would be far less speedy and satisfactory.

Third, the expenditures for construction of the headquarters will be made primarily in the United States. American labor will be employed on the project; American materials will go into the construction; and the furnishings and equipment for the buildings will be purchased from American manufacturers. Construction will extend over a period of several years.

Fourth, the headquarters, when completed, will be a permanent asset to the United States.

Present Headquarters Handicaps Work

Gentlemen, I most earnestly hope that the Congress will not see fit to impose any delay in carrying out this project. The United Nations has been functioning in the United States since the spring of 1946. Since that time, foreign delegations and the staff of the Secretariat have been living and working under crowded conditions in the New York area. The temporary headquarters at Lake Success, and the temporary General Assembly building at Flushing Meadows, were not designed for the use to which they are now being put. They are not the facilities the United Nations should have. Their location is inconvenient. I hesitate to attempt to compute the number of manhours lost in travel to, from, and between these buildings and the New York headquarters and residences of the various delegations.

(Continued on page 655)

Summary Statement by the Secretary-General¹

MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND THE STAGE REACHED IN THEIR CONSIDERATION

A. Pursuant to Rule 11 of the Provisional Rules of Procedure of the Security Council, I submit the following summary statement of matters of which the Security Council is seized and of the stage reached in their consideration on 24 April 1948. [For omitted materials, see U.N. doc. S/728 or consult the semiannual BULLETIN indexes.]

1. *The Iranian Question*

2. *Special Agreements under Article 43 and the Organization of the Armed forces made available to the Security Council*

3. *Rules of Procedure of the Security Council*

By letter dated 5 September 1947 (document S/540/Corr.1) the representative of the United Kingdom suggested several additional rules of procedure concerning meetings of the Security Council. This letter has not yet been considered by the Council.

4. *Statute and Rules of Procedure of the Military Staff Committee*

5. *The General Regulation and Reduction of Armaments and Information on Armed Forces of the United Nations*

6. *Appointment of a Governor of the Free Territory of Trieste*

By letter dated 13 June 1947, the representative of the United Kingdom requested that an early date be fixed for the discussion by the Security Council of the question of the appointment of a Governor of the Free Territory of Trieste. The question was placed on the agenda at the 143rd meeting of the Security Council, and discussed in private at the 144th and 155th meetings on 20 June 1947 and 10 July 1947. The Council set up a sub-committee composed of the representatives of

Australia, Colombia and Poland to collect additional information about the candidate.

At its 203rd meeting held in private on 24 September 1947, the Council examined the report of its sub-committee and also examined a new candidate proposed by the representative of China. The Council decided to ask the permanent members to hold an informal consultation.

The Council took up this matter again at its 223rd meeting held in private on 18 December and decided in pursuance of Article 11 (paragraph 1) of the Permanent Statute for the Free Territory of Trieste to request the Governments of Italy and Yugoslavia to consult with each other in an effort to reach agreement on a candidate and to report on their progress to the Council not later than 5 January 1948.

At its two hundred and thirty-third meeting held in private, the Council discussed the replies from the Governments of Italy and Yugoslavia to the Security Council's request of 19 December. The representative of the Union of Soviet Socialist Republics suggested that the members of the Council should express their opinion regarding the new candidates mentioned in the above replies. Some permanent members of the Council, however, declared that they were not yet in a position to discuss those candidates. The Council decided to ask the permanent members to have a further consideration on the matter next week and also decided to have another meeting of the Council on this question as soon as possible.

At its two hundred and sixty-fifth meeting held in private, the Security Council agreed, after some discussion, to postpone further consideration of this question until such time as it was requested by any Member of the Council.

7. *The Egyptian Question*

The Council further considered the question at its 201st meeting on 10 September 1947. A draft resolution submitted by the representative of China (document S/547) and amendments thereto submitted by the representative of Australia (document S/549) failed to receive a majority of votes

¹ U.N. doc. S/728, Apr. 27, 1948.

and were not adopted. The President then stated that the Egyptian question would remain on the agenda and that the Council would continue its consideration of the question at the request of any member of the Council or of either of the two parties concerned.

8. *The Indonesian Question*

At the 181st meeting the representative of Australia introduced a draft resolution (document S/488) and amendments to this resolution were submitted by the representative of Poland (document S/488/Add.1) and China (document S/488/Add.2) at the 185th and 187th meetings. At the 192nd meeting the representatives of Australia and China introduced a joint draft resolution (document S/513) and the representative of Australia introduced a new separate draft resolution (document S/512). The representative of the United States also submitted a draft resolution (document S/514). At the 193rd meeting the representative of Belgium introduced a draft resolution (document S/517).

At the 195th meeting the draft resolutions were put to a vote. An amendment submitted by the representative of the Union of Soviet Socialist Republics to the joint Australian-Chinese resolution (S/513), providing for the establishment of a Commission of the Security Council to supervise the "cease fire" order received seven votes in favour, two against (Belgium and France) with two abstentions (China and the United Kingdom) and was not adopted since one of the permanent members voted against it. The joint Australian-Chinese resolution was then adopted by seven votes in favour with four abstentions (Colombia, Poland, United Kingdom and the Union of Soviet Socialist Republics).

The Polish amendment (S/488/Add.1) to the original Australian draft resolution was re-submitted as an amendment to the second Australian resolution (S/512). The Polish amendment received three votes in favour, four against (Belgium, France, United Kingdom and the United States) with four abstentions (Australia, Brazil, China and Colombia), and was not adopted. The Australian resolution received three votes in favour (Australia, Colombia and Syria), none against with eight abstentions, and was not adopted.

The United States draft resolution (S/514) received eight votes in favour, none against with three abstentions (Poland, Syria and the Union of Soviet Socialist Republics) and was adopted.

The Belgian draft resolution (S/517) received four votes in favour, (Belgium, France, United Kingdom and the United States) one against (Poland) with six abstentions and was not adopted.

A new draft resolution submitted by the representative of Poland (S/521) received ten votes in favour, one against (United Kingdom) and was adopted.

The President announced that he considered the discussion of the Indonesian question closed for the present stage, but that the question would remain on the list of matters of which the Council is seized.

The resolutions on the Indonesian question adopted at the 194th and 195th meetings are given in document S/525.

By letters dated 4 and 18 September 1947, (documents S/545 and S/564), the representatives of the Netherlands and Indonesia informed the Council that the Governments of Belgium and Australia had accepted their invitation to serve on the Council's Committee of Good Offices on the Indonesian question. By letter dated 18 September 1947 (document S/558), the representatives of Australia and Belgium informed the Council that the Government of the United States had agreed to be the third member of this Committee. By letters dated 26 September, 1 and 3 October 1947 (documents S/469, S/571 and S/570), the representatives of Australia, United States and Belgium informed the Council of the representatives appointed to this Committee by their Governments.

The Council adopted a resolution submitted by the representative of Australia (document S/574) requesting the Secretary-General to act as convener of the Committee of Three on the Indonesian Question and requesting the Committee to proceed to exercise its functions with the utmost dispatch.

The Security Council, at its 207th through 219th meetings discussed the interim report (document S/573) and the full report (document S/586) from the Consular Commission at Batavia. Draft resolutions were submitted by the representatives of the Union of Soviet Socialist Republics (document S/575), Australia (document S/579/Rev.1) the United Kingdom (with amendments by the representative of Belgium accepted by the representative of the United Kingdom, document S/578), the United States (document S/585, later revised document S/588) and Poland (document S/589). The representatives of Belgium and China submitted amendments to the revised United States draft resolution (documents S/590 and S/591). The representative of the United Kingdom later withdrew his resolution.

Two messages from the Government of the Republic of Indonesia to the Security Council were circulated as documents S/583 and S/590.

At the 217th meeting, the draft resolutions submitted by the representatives of the Union of Soviet Socialist Republics (document S/575) and Australia (document S/579/Rev.1) were put to a

vote and were not adopted as they did not obtain the necessary affirmative votes.

The representative of Australia then submitted an amendment to the United States revised draft resolution (document S/593).

A Sub-Committee consisting of the representatives of Australia, Belgium, China and the United States was created with the task of trying to merge the revised United States draft resolution and the various amendments thereto into one text. A proposal by the representative of the United Kingdom to use both the revised United States draft resolution (document S/588) and the Polish resolution (document S/589) as a basis was rejected by the Council.

The above-mentioned Sub-Committee met on 1 November and submitted a combined draft resolution to the Security Council (document S/594). The combined draft resolution was considered by the Security Council at its 218th and 219th meetings on 1 November 1947.

The representative of the United States, in support of the draft resolution submitted by the Sub-Committee, withdrew his own revised draft resolution. He further stated that he was authorized by the representatives of Australia, Belgium and China to announce that they, for the same reason, also withdrew their amendments to the United States revised draft resolution.

An amendment introduced by the representative of Colombia (document S/595) to the draft resolution submitted by the Sub-Committee was not carried.

The revised United States draft resolution as submitted by the Sub-Committee (document S/594) was put to a vote and adopted.

The Polish draft resolution (document S/587) was then put to a vote and rejected as it did not obtain the required number of affirmative votes.

At its 222nd meeting on 9 December 1947, the Council took note of a report from the Committee of Good Offices regarding the place for holding meetings with the two parties concerned (document S/611).

At its 224th meeting, held on 19 December 1947, the Security Council agreed that the Committee of Good Offices should continue with its present composition after 31 December 1947.

At the same meeting of the Council the President informed that the Committee of Good Offices was preparing an interim report to the Security Council on the progress of its work and that it hoped to cable the report on or about 22 December 1947.

At its 225th meeting on 30 December 1947, the Security Council took note of a cablegram from the Chairman of the Committee of Good Offices stating that the Committee was now preparing a more comprehensive report than originally anticipated, and that the report would be forwarded upon its early completion.

At its 229th meeting of the Security Council on 17 January, the President read a cablegram from the Chairman of the Committee of Good Offices (document S/650) stating that delegations of the Republic of Indonesia and the Netherlands would sign a truce agreement on 17 January 1948 on board the USS "Renville" and that immediately thereupon, both parties would sign an agreement on twelve political principles which were to form the agreed basis for discussions concerning the settlement of the dispute.

The first interim report of the Security Council's Committee of Good Offices on the Indonesian Question (documents S/649 and S/649/Corr.1) was considered by the Security Council at its 247th, 248th, 249th, 251st, 252nd, 256th and 259th meetings with representatives of Australia, India, Netherlands, the Philippines, the Republic of Indonesia and the Committee of Good Offices participating without a vote. A draft resolution regarding the interim report was introduced by the representative of Canada (document S/678) and amendments thereto were submitted by the representatives of Australia (document S/681) and of Colombia (document S/682).

The representative of China introduced a new draft resolution (document S/689) which was adopted at the two hundred and fifty-ninth meeting with eight votes in favour, none against and three abstentions (Argentina, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics). The Colombian amendments (document S/682) to the Canadian draft resolution (document S/678) were then put to a vote paragraph by paragraph but did not obtain the required number of affirmative votes. The Canadian draft resolution (document S/678) was adopted with seven votes in favour, none against, and four abstentions (Colombia, Syria, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics).

9. Voting Procedure in the Security Council

At the 197th meeting on 27 August, the Council discussed the resolution adopted by the General Assembly at its sixty-first plenary meeting, held on 13 December 1946, concerning voting procedure in the Security Council (document S/237). It was decided to refer the resolution to the Committee of Experts with instructions to consider the matter and to make recommendations as to action the Council might take to comply with the recommendations.

By letter dated 2 December 1947, (document S/620), addressed to the President of the Security Council, the Secretary-General drew the attention to the resolution concerning the Voting Procedure in the Security Council adopted by the General Assembly on 21 November 1947.

The Security Council considered this communication at its 224th meeting on 19 December 1947.

The President of the Council confirmed the receipt of the above-mentioned letter.

10. *Procedure in Application of Articles 87 and 88 of the Charter With Regard to the Pacific Islands under Strategic Trusteeship of the United States of America*

By letter dated 7 November 1947 addressed to the President of the Security Council, the Secretary-General drew attention to certain questions in connection with the procedure to follow in application of Articles 87 and 88 of the Charter in relation to the Pacific Islands under strategic trusteeship of the United States of America (document S/599).

The Security Council, at its 220th meeting on 15 November discussed the above-mentioned letter and decided to refer all questions arising from that letter to the Committee of Experts for study and report.

By letter dated 2 December 1947 (document S/613) addressed to the President of the Security Council the representative of the United States informed the Security Council that Eniwetok Atoll, part of the Pacific Islands under strategic trusteeship by the United States had been closed for security reasons in order that the United States Government might conduct experiments relating to nuclear fission there.

The Security Council at its two hundred and twenty-second meeting on 9 December 1947 took note of the above-mentioned communication and unanimously decided to defer further consideration of the matter until the report from the Committee of Experts now examining the functions of the Security Council in relation to strategic areas had been received.

By letter dated 12 December 1947 (document S/621) the Chairman of the Committee of Experts announced that due to unexpected complications the Committee of Experts had not been able to report to the Council within the time specified, and that it would do so at the earliest possible moment.

The Security Council considered this letter at its 224th meeting on 19 December 1947. A resolution submitted by the representative of Poland (document S/625) giving further instructions to the Committee of Experts and setting new time limits was ruled out of order by the President of the Council. The ruling was challenged, but confirmed by a vote with nine affirmative votes. The representative of Poland reserved his right to re-introduce his draft resolution under a separate agenda item later.

The President stated that the Council took note of the above-mentioned letter.

11. *Applications for Membership*

At its 118th plenary meeting held on 17 November 1947, the General Assembly adopted resolutions requesting the Security Council to recon-

sider, before the end of the Assembly's session, the applications by Transjordan and Italy for admission as Members.

By letter (document S/606) dated 18 November 1947, the Secretary-General transmitted these resolutions to the President of the Security Council.

At its 221st meeting on 22 November 1947, the Council considered these Assembly resolutions. The President stated that none of the Members of the Security Council had changed its position on either application. The Security Council would report to the General Assembly accordingly and would postpone further reconsideration of these two applications in order to allow consultation among the permanent Members.

By letter dated 22 November 1947 (document A/515), the President of the Security Council informed the President of the General Assembly of these proceedings.

At the 261st meeting, the application of Burma for Membership in the United Nations (document S/687) was referred without discussion to the Security Council Committee on the Admission of New Members.

The Security Council considered this question again at the 279th and 280th meetings. At the 279th meeting the resolution (document S/717), recommending the application of the Union of Burma for membership in the United Nations was adopted by ten votes to none with one abstention (Argentina).

The Council then reconsidered the applications of Albania, Austria, Bulgaria, Eire, Finland, Hungary, Italy, the Mongolian People's Republic, Portugal, Roumania and Transjordan. The result of the vote on the application of Italy was nine in favour and two against (the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics). Inasmuch as one of the negative votes was cast by a permanent member, the application of Italy failed to obtain the recommendation of the Security Council.

At the 280th meeting, since none of the representatives had changed his attitude with regard to the other applications, the Council decided to report accordingly to the General Assembly, and to adjourn the discussion on this matter indefinitely.

12. *The Palestinian Question*

By letter dated 2 December 1947 (document S/614) the Secretary-General requested that the President of the Security Council draw the attention of the Council to the General Assembly resolution of 29 November 1947 (Document A/516), particularly paragraphs (a), (b), and (c) of the operative part of that resolution.

By two telegrams dated 7 December the Minister for Foreign Affairs of Egypt (document S/617)

and the Acting Minister for Foreign Affairs of Lebanon (document S/618) requested that their countries, under Article 31, be given the right to participate without a vote in the discussions in the Security Council whenever the question of Palestine is under consideration.

At its 222nd meeting on 9 December the Security Council took note of the above-mentioned letter of the Secretary-General (document S/614) and the resolution of the General Assembly on the Palestinian question and decided to postpone discussion of the matter.

At its two-hundred and forty-third meeting, the Security Council considered the first monthly Progress Report from the United Nations Palestine Commission (document S/663).

The President of the Council stated that this report was purely factual and for the information of the Council. However, the Commission was preparing a special report which would be available shortly and which would involve questions requiring determination by the Council. He suggested that the Council at this stage only take note of the first monthly Progress Report and postpone consideration of it until the Council would also have the special report before it.

No objection was raised against the procedure suggested by the President and it was so decided.

The Security Council at its two hundred and fifty-third, two hundred and fifty-fourth, two hundred and fifty-fifth and two hundred and fifty-eighth meetings considered the first monthly progress report to the Security Council of the United Nations Palestine Commission (document S/663) and the first special report to the Security Council, covering the problem of security in Palestine, submitted by the United Nations Palestine Commission (document S/676). The representatives of Egypt and Lebanon were, in accordance with a previous decision of the Council, invited to participate in the discussion without a vote. The Jewish Agency for Palestine was, at its request, invited to the Council table for the purpose of supplying such information and rendering such assistance as the Council might require. At the suggestion of the President of the Council, it was agreed to grant the same privilege to the Arab Higher Committee if it so requested.

Draft resolutions were introduced by the representatives of Colombia (document S/684) and the United States of America (document S/685). The representative of Belgium submitted an amendment to the United States draft resolution (document S/688). The representative of Colombia later withdrew his draft resolution. Further consideration of this question was postponed until Tuesday, 2 March 1948.

The Security Council at its two-hundred and sixtieth, two-hundred and sixty-first, two-hundred and sixty-second and two-hundred and

sixty-third meetings continued consideration of the First Monthly Progress Report to the Security Council of the United Nations Palestine Commission (document S/663) and the First Special Report to the Security Council on the Problem of Security in Palestine submitted by the United Nations Palestine Commission (document S/676).

At the two-hundred and sixty-second meeting, the President requested that the representatives of the United States and the Union of Soviet Socialist Republics consult together in an effort to formulate a mutually acceptable version of the United States draft resolution (document S/685). At the two-hundred and sixty-third meeting the representatives of the United States and the Union of Soviet Socialist Republics reported on the results of their consultation and the representative of the United States amended his draft resolution accordingly. The representative of Belgium announced that he accepted certain of the changes made in the United States amended resolution and wanted them to be incorporated in the Belgian amendment (document S/688). Thereupon, the Belgian amendment as revised was put to a vote paragraph by paragraph, but failed to obtain the required number of affirmative votes and consequently was not carried. The amended resolution of the United States was also voted upon paragraph by paragraph. The preamble, the first part of paragraph 2 and the final paragraph were adopted. The accepted paragraphs of the amended United States Resolution were then put to the vote as a whole and adopted by eight affirmative votes, none against and three abstentions (Argentina, Syria and the United Kingdom. For the text of the resolution as finally adopted see document S/691).

At its two hundred and sixty-seventh meeting, the Security Council heard statements by the representatives of Lebanon and Syria. At the two hundred and seventieth meeting, Members of the Council who had participated in the consultations of the permanent members reported to the Council on the results of their discussion. At the two hundred and seventy-first meeting, the representative of the United States outlined the contents of a proposed resolution which would be submitted at a later date.

Discussion was continued at the two hundred and seventy-fourth, two hundred and seventy-fifth and two hundred and seventy-seventh meetings. At the two hundred and seventy-seventh meeting the draft resolution (document S/704) introduced by the representative of the United States as amended by the representative of the Ukrainian Soviet Socialist Republic, calling for a truce in Palestine was adopted unanimously. The draft resolution (document S/705) also introduced by the representative of the United States, requesting the Secretary-General to convoke a special ses-

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sion of the General Assembly regarding Palestine, was adopted by nine votes in favour with two abstentions (Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics). The Secretary-General announced that the special session of the General Assembly called for by the terms of the United States resolution (S/705) would be convoked on 16 April 1948.

Discussion was continued at the 282nd and 283rd meetings. The representative of Colombia introduced a draft resolution containing the terms of a truce in Palestine. The resolution as amended (document S/723) was adopted by a vote of nine in favour, none against, and two abstentions (Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics).

At the 287th meeting, the representative of the United States introduced a draft resolution calling for the establishment of a Truce Commission to supervise the implementation of the resolution adopted by the Council on 17 April (document S/723). The resolution (document S/727) was adopted by a vote of eight in favour, none against and three abstentions (Colombia, Ukrainian Soviet Republic and the Union of Soviet Socialist Republics).

13. *The India-Pakistan Question*

By letter dated 1 January 1948 (document S/628), the representative of India, under Article 35 of the Charter, drew the attention of the Council to the present situation in Jammu and Kashmir and requested the Security Council to ask the Government of Pakistan:

1. to prevent Pakistan Government personnel, military and civil, from participating or assisting in the invasion of the Jammu and Kashmir State:

2. to call upon other Pakistan nationals to desist from taking any part in the fighting in the Jammu and Kashmir State:

3. to deny to the invaders:

(a) access to and use of its territory for operations against Kashmir,

(b) military and other supplies,

(c) all other kinds of aid that might tend to prolong the present struggle.

The Security Council admitted this question to its agenda at its 226th meeting on 6 January. Representatives of the Governments of India and Pakistan were, in pursuance of Article 31 of the Charter, invited to participate in the discussion without a vote.

At the request of the representative of Pakistan, the Council postponed further consideration of the question until a meeting to be held not later than 15 January 1948.

In a letter addressed to the Secretary-General (document S/646) the Minister of Foreign Affairs of Pakistan answered to the application to the

Security Council made by the representative of India (document S/628).

The Security Council at its 227th, 228th and 229th meetings on 14, 16 and 17 January 1948 heard statements by the representatives of the two parties concerned.

At the 229th meeting, a draft resolution submitted by the representative of Belgium (document S/651) was adopted with nine votes in favour, none against and two abstentions (Ukrainian Soviet Socialist Republic and Union of Soviet Socialist Republics). The representative of the United Kingdom then proposed that the President of the Council should meet with the representatives of the two Governments concerned and that, under his guidance, they should try to find some common ground on which the structure of a settlement might be built. This proposal was met with the approval of the parties concerned and the President expressed his readiness to assist. No objection was voiced against the proposal by any representative on the Security Council. The President then announced that the Council would adjourn until 20 January 1948, at 10.30 a. m. and that, at this meeting, the Council would hear the reports of the representatives of India and Pakistan on the conversations held.

Consideration of this question was continued at the two hundred and thirtieth, two hundred and thirty-first, two hundred and thirty-second, two hundred and thirty-fourth and two hundred and thirty-fifth meetings. At the two hundred and thirtieth meeting, the President reported to the Council on the result of the conversation he had had with the two parties and introduced a draft resolution (document S/654) which had the support of the parties. This resolution was adopted at the same meeting by the Council with nine affirmative votes and two abstentions (the Union of Soviet Socialist Republics and the Ukrainian Soviet Socialist Republic).

By letter dated 20 January (document S/655) the Minister for Foreign Affairs of Pakistan requested that the Security Council at as early a date as possible, consider the situations (other than the Kashmir and Jammu situation) mentioned in his previous letter (document S/646 and Corr. 1). This letter was included in the provisional agenda of the two hundred and thirty-first meeting of the Security Council. The Council, at this meeting, decided to describe the question under consideration: "The India-Pakistan Question". The Security Council heard additional statements by the representatives of India and Pakistan at the two hundred and thirty-second, two hundred and thirty-fourth and two hundred and thirty-fifth meetings.

The Council decided to adjourn further consideration of this question until 27 January, the President's conversations with the parties to continue in the meantime.

The question was further considered at the 236th, 237th, 238th, 239th, 240th, 241st and 242nd meetings and the President reported on his continuing conversations with the parties. At the 237th meeting the representative of Belgium introduced two draft resolutions (documents S/661 and S/662). At the 239th meeting, the representative of India introduced two proposals.

Further consideration of the question was postponed until 10 February 1948, the conversations between the President and the two parties to be continued in the meantime.

Discussion continued at the two hundred and forty-third, two hundred and forty-fourth, two hundred and forty-fifth and two hundred and forty-sixth meetings. At the two hundred and forty-sixth meeting, the Council, concurred with a request of the representative of India to postpone indefinitely the consideration of the situation in Jammu and Kashmir (document S/628) in order to give the representative of India an opportunity to return to India for consultation with his Government. The representative of India was urged to be at the disposal of the Council for continuation of the consideration of this question at as early date as possible, and the Council reserved its right to take up the Jammu and Kashmir question again at its discretion before the return of the Indian representative. Consideration of aspects of the India-Pakistan question other than those relating to the situation in Jammu and Kashmir would be resumed on Wednesday, 18 February 1948.

At its 250th and 257th meetings the Security Council considered aspects of the India-Pakistan Question other than those relating to the situation in Jammu and Kashmir.

Discussion was continued at the 264th, 265th and 269th meetings. The representative of China introduced a draft resolution (document S/699) which resulted from his consultations with the delegations of India and Pakistan. At the 284th, 285th and 286th meetings, the Council considered a revised draft resolution submitted jointly by the representatives of Belgium, Canada, China, Colombia, the United Kingdom and the United States of America, (document S/726) outlining the terms of a general settlement of the dispute. At the 286th meeting, this resolution was voted on paragraph by paragraph, and adopted. At the 287th meeting the nomination of Belgium and Colombia, to the Commission provided for in the terms of the resolution (document S/726) was approved by a vote of seven in favour, none against and four abstentions (Belgium, Colombia, Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics). It was agreed that the President of the Security Council should continue to meet with both parties in an effort to find a solution to the question of Junagadh.

14. *The Czechoslovakian Situation*

By letter dated 12 March 1948 (document S/694) the permanent representative of Chile to the United Nations requested that, in accordance with Article 34 of the Charter, the Security Council, "investigate the events reported by the permanent representative of Czechoslovakia, Dr. Jan Papanek, which constitute a threat to international peace and security". At the two hundred and sixty-eighth meeting this item was admitted to the Agenda and the representative of Chile invited to participate in the discussion in accordance with Article 31 of the Charter. The representative of Chile requested that, in accordance with Rule 39 of the Provisional Rules of Procedure, the Security Council should invite Dr. Jan Papanek to supply it with information.

At the two hundred and seventy-second meeting, on the request of the representative of Argentina, and in accordance with Rule 38 of the Provisional Rules of Procedure, the proposal of the representative of Chile to invite Dr. Jan Papanek to supply the Security Council with information, in accordance with Rule 39 of the Provisional Rules of Procedure, was adopted by a vote of nine to two.

Discussion was continued at the 273rd, 276th and 278th meetings. The resolution (document S/711) introduced by the representative of the United States, inviting the Government of Czechoslovakia to participate in the discussion of the Czechoslovakian question, was adopted by nine votes to none with two abstentions (the Ukrainian Soviet Socialist Republic and the Union of the Soviet Socialist Republics). In response to this invitation the Government of Czechoslovakia stated that it did not find it possible to take part in the discussion (document S/718).

At the 281st meeting, the representative of Chile submitted a draft resolution proposing that a sub-committee of the Council be appointed to hear statements and testimony relative to this question, and to submit a report thereon to the Security Council as soon as possible.

Current U.N. Documents: A Selected Bibliography¹

International Children's Emergency Fund. Programme Committee. Report of the Sub-Committee on Medical Projects. E/ICEF/43, Feb. 18, 1948. 56 pp. mimeo.
— Executive Board. Report of the Executive Director to the Nineteenth Meeting of the Executive Board, 9 March 1948. E/ICEF/46, Feb. 27, 1948. 15 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York City. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

FOREIGN AID AND RECONSTRUCTION

Economic Cooperation Act of 1948

STATEMENT BY THE DEPARTMENT OF STATE AND THE ECONOMIC COOPERATION ADMINISTRATION

The Department of State and the Economic Cooperation Administration released on May 8 copies of the exchanges of notes between the United States and 11 member nations of the Organization for European Economic Co-operation.¹

The purpose of the notes is to record certain assurances which the Economic Cooperation Act specifies are to be received from the participating countries before the Administrator can proceed with a full assistance program with respect to them. According to subsection 115(c), each country is expected to signify its adherence to the purposes of the Act and its intention to conclude

an agreement with the United States. Each note contains statements to this effect, and further states that the country in question is carrying out the provisions of subsection 115(b) which are applicable to it and is also engaged in continuous efforts to bring about a joint recovery program. In addition, those countries which will probably receive some assistance in the form of grants agree to make deposits in their own currency commensurate with the dollar amount of assistance furnished as a grant. These deposits are to be available for certain United States expenses abroad and for other purposes agreed to by the two countries.

EXCHANGES OF NOTES BETWEEN THE U.S. AND ELEVEN MEMBER NATIONS OF THE ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION²

The Acting Secretary of State to the Netherlands Ambassador

EXCELLENCY: I have the honor to inform you that the Economic Cooperation Act of 1948 (Title I of the Foreign Assistance Act of 1948) became law on April 3, 1948.

You will note the general requirement of the Act

¹ Released to the press by the Department of State and the Economic Cooperation Administration on May 8.

² While all the notes are similar, there are certain slight differences. For this reason copies of the notes which do differ are included in this release. On the list of countries which have exchanged notes with the United States are: Austria, Denmark, France, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, and the United Kingdom. Notes have not been exchanged as of this date with Greece, Portugal, Switzerland, and Turkey, nor with the western zones of Germany.

Copies of the notes exchanged are with (1) the Netherlands (exchanges with Denmark, Luxembourg, and Norway are in the same form); (2) Ireland (these are in the same form as those with Iceland and Sweden); (3) Italy (which are in the same form as those with France); (4) the United Kingdom; and (5) Austria.

that, before assistance may be provided by the United States to a country of Europe which participates in a joint recovery program based on self-help and mutual cooperation, an agreement must have been concluded between that country and the United States as described in subsection 115(b) of the Act. However, before such an agreement is concluded and until July 3, 1948, the Government of the United States proposes, under the terms of subsection 115(c), to arrange for the performance, with respect to your country, of those functions authorized by the Act which may be determined to be essential in furtherance of its purposes. This action by the Government of the United States is contingent upon the requirements of subsection 115(c) of the Act being fulfilled.

Accordingly, I should appreciate your notifying me whether your Government adheres to the purposes and policies in furtherance of which the Act authorizes assistance to be provided, and is engaged in continuous efforts to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing or-

**The Netherlands Ambassador to the
Acting Secretary of State**

NETHERLANDS EMBASSY

Washington 9, D.C.

April 20, 1948

SIR: I have received your note of April 20th, concerning the Economic Cooperation Act of 1948.

My Government has authorized me to inform you of its adherence to the purposes and policies of the Economic Cooperation Act of 1948, which are stated in the whole of subsection 102(b) and in subsection 102(a), respectively, and in furtherance of which the Act authorizes assistance to be provided to my country.

My Government has taken careful note of the provisions of subsection 115(b) of the Economic Cooperation Act of 1948 and intends to conclude an agreement with your Government pursuant to that section. It is understood that your Government would be required by the Act to terminate assistance if at any time it should find that my Government was not complying with such provisions of subsection 115(b) of the Act as your Government considered applicable. My Government is complying with and, for so long as assistance may be made available to it under the Act pursuant to your letter, is prepared to comply with all the applicable provisions of subsection 115(b) of the Act and is also engaged in continuous efforts to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose.

Pending the determination of the terms of the future agreement between our two Governments under subsection 115(b) of the Act, my Government agrees to make deposits, in guilders, upon notification by your Government, in amounts commensurate with the dollar amount of assistance furnished hereunder which is designated by your Government as a grant. These deposits will be available for the administrative expenses incurred by your Government in my country under the Economic Cooperation Act of 1948, and will be held or used for such other purposes as may be agreed to between our two Governments. It is understood that the provisions of the future agreement between our two Governments concerning any deposits to be made pursuant to paragraph (6) of subsection 115(b) will apply with respect to all of such assistance for my Government which is determined to have been made by grant during the period covered by your letter.

In the event that your Government should decide to offer some part of the assistance to be furnished to my Government pursuant to your letter as a loan, or on other terms of payment, it is understood that the terms of payment will be determined in accordance with the Act.

I am authorized to state that my Government

ganization for this purpose, and also whether your Government intends to conclude an agreement with the United States in accordance with subsection 115(b). The purposes of the Act are stated in the whole of subsection 102(b) and the policies referred to in subsection 102(b) are those designated as such in subsection 102(a).

My Government would be required by the Act to terminate assistance authorized by subsection 115(c) to your country if at any time it should find that your Government was not complying with such provisions of subsection 115(b) of the Act as my Government might consider applicable. I should appreciate being notified whether your Government is complying with and, for so long as assistance may be made available to it under the Act pursuant to this note, is prepared to comply with the applicable provisions of subsection 115(b).

During the period covered by this note, assistance may be furnished to your Government under the Act on terms of payment or by grant. It is anticipated that during the period covered by this note, a proportion of the assistance furnished to your country will be by grant. Consequently, my Government would like to have the agreement of your Government that The Netherlands will make deposits, in guilders upon notification by my Government, in amounts commensurate with the dollar amount of assistance furnished hereunder designated as a grant, such deposit to be available for the administrative expenses incurred by my Government in your country under the Economic Cooperation Act of 1948, and to be held or used for such other purposes as may be agreed to between our two Governments. My Government will shortly advise you of the procedures for determining the dollar amount of assistance. The provisions of the future agreement between our two Governments concerning any deposits to be made pursuant to paragraph (6) of subsection 115(b) will apply with respect to all of such assistance for your Government which is determined to have been made by grant during the period covered by this note.

It is anticipated that my Government may decide to offer some part of the assistance to be furnished to your Government pursuant to this note as a loan or on other terms of payment. In that event, the terms of payment will be determined in accordance with the Act.

I trust that your Government will concur in these arrangements.

I am sure your Government understands that the proposals set forth in this note cannot be viewed as constituting an obligation on the part of my Government to make assistance available to your country.

Accept [etc.]

ROBERT A. LOVETT
Acting Secretary of State

May 16, 1948

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understands that the proposals contained in your letter do not constitute an obligation on the part of your Government to make assistance available to my country.

Accept [etc.]

E. N. VAN KLEFFENS

The Undersecretary of State to the Irish Minister

April 28, 1948

SIR: I have the honor to refer to the Economic Cooperation Act of 1948, which became law on April 3, 1948.

I should like to call your attention to the general provisions of section 115 of the Act regarding the conclusion of an agreement between each of the participating countries and the United States.

In accordance with your Government's stated desire to cooperate with the United States and with the other participating countries in accomplishing the objectives of a joint recovery program, I should appreciate being notified that your Government adheres to the purposes and policies which the Act as a whole is designed to carry out. The purposes of the Act are stated in the whole of subsection 102(b), and the policies referred to in subsection 102(b) are those designated as such in subsection 102(a). I should also like to know whether your Government intends to conclude an agreement with the United States in accordance with section 115 of the Act, and whether your Government is now acting consistently with the applicable provisions of subsection 115(b), and intends to continue acting consistently with these provisions. Among them is one regarding continuous efforts of the participating countries to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose.

I hope that in the near future representatives of our two countries may begin negotiations for an early conclusion of the agreement contemplated in the Act.

Accept [etc.]

For the Secretary of State:

ROBERT A. LOVETT

The Irish Minister to the Secretary of State

IRISH LEGATION
Washington, D. C.

April 28, 1948

SIR: I have the honour to acknowledge the receipt of your note of this date, concerning the Economic Cooperation Act of 1948 which became law on April 3, 1948.

As you know, my Government desires to cooperate with the United States, and with the other

countries participating in a joint recovery program, to effectuate the purposes of this program. I am, accordingly, authorized to inform you that my Government adheres to the purposes and policies of the Economic Cooperation Act of 1948, which are stated in the whole subsection 102(b) and in subsection 102(a) respectively, and which the Act as a whole is designed to carry out.

My Government has taken careful note of the provisions of subsection 115(b) of the Act and intends to conclude an agreement with your Government pursuant to that subsection. In fact, my country is already acting consistently with the provisions of subsection 115(b) that are applicable to it, and is engaged in continuous efforts to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose.

I join in the hope that negotiations for the conclusion of the agreement between our two countries may be started soon.

Accept [etc.]

SEAN NUNAN

The Acting Secretary of State to the Italian Ambassador

April 21, 1948

EXCELLENCY: I have the honor to refer to the Economic Cooperation Act of 1948 (Title I of the Foreign Assistance Act of 1948) which became law on April 3, 1948.

You will note the general requirement of the Act that, before assistance may be provided by the United States to a country of Europe which participates in a joint recovery program based on self-help and mutual cooperation, an agreement must have been concluded between that country and the United States as described in subsection 115(b) of the Act. However, before such an agreement is concluded and until July 3, 1948, the Government of the United States proposes, under the terms of subsection 115(c), to arrange for the performance, with respect to your country, of those functions authorized by the Act which may be determined to be essential in furtherance of its purposes. This action by the Government of the United States is contingent upon the requirements of subsection 115(c) of the Act being fulfilled.

Accordingly, I should appreciate your notifying me whether your Government adheres to the purposes and policies in furtherance of which the Act authorizes assistance to be provided, and is engaged in continuous efforts to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose, and also whether your Government intends to conclude an agreement with the United States in accordance with subsection 115(b). The purposes of the Act are stated in the

**The Italian Ambassador to the
Acting Secretary of State**

ITALIAN EMBASSY

Washington, D. C.

April 21, 1948

EXCELLENCY: I have received your note of April 21st, 1948 concerning the Economic Cooperation Act which became law on April 3rd, 1948.

My Government has authorized me to inform you of its adherence to the purposes and policies of the Economic Cooperation Act of 1948, which are stated in the whole of subsection 102(b) and in subsection 102(a), respectively, and in furtherance of which the Act authorizes assistance to be provided to my country.

My Government has taken careful note of the provisions of subsection 115(b) of the Economic Cooperation Act of 1948 and intends to conclude an agreement with the Government of the United States of America, pursuant to that section.

Since subsection 115(c) of the Act predicates the furnishing of assistance upon continuous compliance with such provisions of subsection 115(b), as the Government of the United States of America may consider applicable, I wish to inform you that the Italian Government is already taking the national measures necessary to carry out the applicable provisions of subsection 115(b) and will continue to take such measures as long as assistance is made available to it pursuant to this note.

My Government is engaged in continuous efforts to accomplish a joint recovery program and to that end has signed on April 16, 1948 an agreement related to economic European cooperation which contains multilateral undertakings and provides for a permanent organization of the participating Governments.

My Government understands that, during the period covered by your note, assistance may be furnished to it for the most part by grant. Pending the determination of terms of the future agreement between our two Governments, under section 115(b) of the Act, deposits in the currency of my country in respect of any assistance which is designated by your Government as a grant will be made in accordance with the bilateral agreement between our two Governments signed in Rome on January 3rd, 1948 related to economic aid. These deposits may be used for administrative expenses of your Government in the currency of my country, incident to your Government's operations within my country under the Economic Cooperation Act of 1948 and for such other purposes as may be agreed to by our Governments. It is understood that the provisions of the future agreement between our two Governments, concerning any deposits to be

whole of subsection 102(b) and the policies referred to in subsection 102(b) are those designated as such in subsection 102(a).

Since subsection 115(c) of the Act predicates the furnishing of assistance upon continuous compliance with such provisions of subsection 115(b) as my Government may consider applicable, I should appreciate your advising me whether your Government is already taking the national measures necessary to carry out the applicable provisions of subsection 115(b) and will continue to take such measures as long as assistance is made available to it pursuant to this note.

During the period covered by this note, assistance may be furnished to your Government under the Act on terms of payment or by grant. It is contemplated that, during the period covered by this note, such assistance will be furnished to your Government for the most part by grant. I suggest that pending the determination of the terms of the future agreement between our two Governments under subsection 115(b) of the Act, deposits in the currency of your country in respect of any assistance furnished hereunder which is designated by my Government as a grant be made in accordance with the agreement between our two Governments concluded in Rome on January 3, 1948, and relating to economic aid. I further suggest that these deposits may be used for administrative expenses of the Government of the United States in the currency of your country, incident to my Government's operations within your country under the Economic Cooperation Act of 1948 and for such other purposes as may be agreed upon by our two Governments. The provisions of the future agreement between our two Governments concerning any deposits to be made pursuant to paragraph (6) of subsection 115(b) will apply with respect to all of such assistance for your Government which is determined to have been made by grant during the period covered by this note.

It is anticipated that my Government may offer some part of the assistance to be furnished pursuant to this note as a loan, or on other terms of payment, and in that event the terms of payment will be determined in accordance with the Act.

The Act authorizes my Government to appoint a special mission for economic cooperation to your country. I trust that you will extend the same degree of cooperation to this mission that you have extended to the representatives of my Government concerned with the operations under the aforementioned agreement concluded between our two Governments on January 3, 1948.

I am sure your Government understands that the proposals set forth in this note cannot be viewed as constituting an obligation on the part of my Government to make assistance available to your country.

Accept [etc.]

ROBERT A. LOVETT

May 16, 1948

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made pursuant to paragraph (6) of subsection 115(b), will apply with respect to all of such assistance for my Government which is determined to have been made by grant during the period covered by your note.

In the event that your Government should decide to offer some part of the assistance to be furnished to my Government pursuant to your note as a loan, or on other terms of payments, it is understood that the terms of payment will be determined in accordance with the Act.

My Government notes with satisfaction that your Government will appoint a special mission for economic cooperation to my country. My Government will extend the same degree of cooperation to this mission that it has extended to the representatives of your Government concerned with the operations under the bilateral agreement signed in Rome between our two Governments on January 3rd, 1948, relating to economic aid.

I am authorized to state that my Government understands that the proposals contained in your note do not constitute an obligation on the part of your Government to make assistance available to my country.

I wish to express [etc.]

ALBERTO TARCHIANI
Ambassador of Italy

**The Undersecretary of State to the
British Ambassador**

April 30, 1948

EXCELLENCY: I have the honor to refer to the Economic Cooperation Act of 1948 (Title I of the Foreign Assistance Act of 1948) which became law on April 3, 1948.

You will note the general requirement of the Act that, before assistance may be provided by the United States to a country of Europe which participates in a joint recovery program based on self-help and mutual cooperation, an agreement must have been concluded between that country and the United States as described in subsection 115(b) of the Act. However, before such an agreement is concluded and until July 3, 1948, the Government of the United States proposes, under the terms of subsection 115(c), to arrange for the performance, with respect to the United Kingdom, of those functions authorized by the Act which may be determined to be essential in furtherance of its purposes. This action by the Government of the United States is contingent upon the requirements of subsection 115(c) of the Act being fulfilled.

Accordingly, I should appreciate your notifying me whether the British Government adheres to the purposes and policies in furtherance of which the Act authorized assistance to be provided, and is engaged in continuous efforts to accomplish a

joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose, and also whether your Government intends to conclude an agreement with the United States in accordance with subsection 115(b). The purposes of the Act are stated in the whole of subsection 102(b) and the policies referred to in subsection 102(b) are those designated as such in subsection 102(a).

Since subsection 115 (c) of the Act predicates the furnishing of assistance upon continuous compliance with such provisions of subsection 115(b) as my Government may consider applicable I should appreciate your advising me whether the British Government is already taking the national measures necessary to carry out the applicable provisions of subsection 115(b) and will continue to take such measures as long as assistance is made available to it pursuant to this note.

During the period covered by this note, assistance may be furnished to the United Kingdom under the Act on terms of payment or by grant. It is anticipated that during the period covered by this note, a proportion of the assistance furnished to the United Kingdom will be by grant. Consequently, my Government would like to have the agreement of the British Government that the United Kingdom will make deposits, in pounds sterling upon notification by my Government, in amounts commensurate with the dollar amount of assistance furnished hereunder designated as a grant, such deposit to be available for the administrative expenses incurred by my Government in your country under the Economic Cooperation Act of 1948, and to be held or used for such other purposes as may be agreed to between our two Governments. My Government will shortly advise you of the procedures for determining the dollar amount of assistance. The provisions of the future agreement between our two Governments concerning any deposits to be made pursuant to paragraph (6) of subsection 115(b) will apply with respect to all of such assistance for the United Kingdom which is determined to have been made by grant during the period covered by this note.

It is anticipated that my Government may decide to offer some part of the assistance to be furnished to the United Kingdom pursuant to this note as a loan or on other terms of payment. In that event, the terms of payment will be determined in accordance with the Act.

I am sure your Government understands that the proposals set forth in this note cannot be viewed as constituting an obligation on the part of the United States to make assistance available to your country.

Accept [etc.]

For the Secretary of State:
ROBERT A. LOVETT

Department of State Bulletin

The British Ambassador to the Secretary of State

BRITISH EMBASSY

*Washington, D. C.**30th April, 1948*

SIR, I have the honour to acknowledge the receipt of your note of today's date regarding the passage into law of the Economic Cooperation Act of 1948.

2. I am directed by His Majesty's Principal Secretary of State for Foreign Affairs to inform you that His Majesty's Government in the United Kingdom have taken note of the provisions of the Act and of the various points made in your note under reply. I am authorized to declare on behalf of His Majesty's Government in the United Kingdom that they adhere to the purposes and policies of the Economic Cooperation Act of 1948, which are stated in the whole of sub-section 102(b) and in sub-section 102(a) respectively, and in furtherance of which the Act authorizes assistance to be provided to the United Kingdom. His Majesty's Government also intend to conclude an agreement with the United States Government pursuant to sub-section 115(b) of the Act.

3. Since sub-section 115(c) of the Act predicates the furnishing of assistance upon continuous compliance with such provisions of sub-section 115(b) as the United States Government may consider applicable, His Majesty's Government wish me to inform you that they are already taking the national measures necessary to carry out the applicable provisions of sub-section 115(b) of the Act, and will continue to do so as long as assistance is made available to them in accordance with your note.

4. His Majesty's Government are making continuous efforts to bring about, together with the other participating governments, a joint programme of European recovery, and to that end His Majesty's Principal Secretary of State for Foreign Affairs signed on April 16th the Convention for European Economic Cooperation, which contains multilateral undertakings and establishes a continuing organization of the participating governments.

5. His Majesty's Government have noted the contents of paragraphs 5 and 6 of your note and agree to make deposits in pounds sterling, upon notification by the United States Government, in amounts commensurate with the dollar amount of assistance furnished under the terms of your note and designated by the United States Government as a grant. These deposits will be available for the administrative expenses incurred by the United States Government in the United Kingdom under the Economic Cooperation Act of 1948, and will be held or used for such other purposes as may be agreed to between the two Governments.

It is understood that the provisions of the future agreement between His Majesty's Government and the Government of the United States concerning any deposits to be made pursuant to paragraph 6 of sub-section 115(b) will apply with respect to all assistance for His Majesty's Government which is determined to have been made by grant during the period covered by your note.

6. Finally, I am directed to state that His Majesty's Government understand that the proposals set out in your note do not constitute an obligation on the part of the United States Government to make assistance available to the United Kingdom.

I have the honour [etc.]

INVERCHAPEL

**The Acting Secretary of State
to the Austrian Minister**

April 15, 1948

SIR: I have the honor to inform you that the Economic Cooperation Act of 1948 (Title I of the Foreign Assistance Act of 1948) became law on April 3, 1948.

You will note the general requirement of the Act that, before assistance may be provided by the United States to a country of Europe which participates in a joint recovery program based on self-help and mutual cooperation, an agreement must have been concluded between that country and the United States as described in subsection 115(b) of the Act. However, before such an agreement is concluded and until July 3, 1948, the Government of the United States proposes, under the terms of subsection 115(c), to arrange for the performance, with respect to your country, of those functions authorized by the Act which may be determined to be essential in furtherance of its purposes. This action by the Government of the United States is contingent upon the requirements of subsection 115(c) of the Act being fulfilled.

Accordingly, I should appreciate your notifying me whether your Government adheres to the purposes and policies in furtherance of which the Act authorizes assistance to be provided, and is engaged in continuous efforts to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose, and also whether your Government intends to conclude an agreement with the United States in accordance with subsection 115(b). The purposes of the Act are stated in the whole of subsection 102(b) and the policies referred to in subsection 102(b) are those designated as such in subsection 102(a).

My Government would be required by the Act to terminate assistance authorized by subsection 115(c) to your country if at any time it should find that your Government was not complying with such provisions of subsection 115(b) of the

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Act as my Government might consider applicable. I should appreciate being notified whether your Government is complying with and, for so long as assistance may be made available to it under the Act pursuant to this note, is prepared to comply with the applicable provisions of subsection 115(b).

It is contemplated that, during the period covered by this note, such assistance will be furnished to your Government by grant. I suggest that pending the determination of the terms of the future agreement between our two Governments under subsection 115(b) of the Act, deposits in the currency of your country in respect of any assistance furnished hereunder which is designated by my Government as a grant to be made in accordance with the agreement between our two Governments under the Foreign Aid Act of 1947. I further suggest that these deposits may be used for administrative expenses of the Government of the United States in the currency of your country, incident to my Government's operations within your country under the Economic Cooperation Act of 1948 and for such other purposes as may be agreed upon by our two governments. The provisions of the future agreement between our two Governments concerning any deposits to be made pursuant to paragraph (6) of subsection 115(b) will apply with respect to all of such assistance for your Government which is determined to have been made by grant during the period covered by this note.

I trust that your Government will concur in these arrangements.

The Act authorizes my Government to appoint a special mission for economic cooperation to your country. I trust that you will extend the same degree of cooperation to this mission that you have extended to the representatives of my Government concerned with the operations under the agreement concluded between our two Governments pursuant to the Foreign Aid Act of 1947.

I am sure your Government understands that the proposals set forth in this note cannot be viewed as constituting an obligation on the part of my Government to make assistance available to your country.

Accept [etc.]

ROBERT A. LOVETT
Acting Secretary of State

**The Austrian Minister to the
Acting Secretary of State**

April 15, 1948

SIR: I have received your letter concerning the Economic Cooperation Act of 1948.

My Government has authorized me to inform you of its adherence to the purposes and policies of the Economic Cooperation Act of 1948, which are stated in the whole of subsection 102(b) and in

subsection 102(a), respectively and in furtherance of which the Act authorizes assistance to be provided to my Country.

My Government has taken careful note of the provisions of subsection 115(b) of the Economic Cooperation Act of 1948 and intends to conclude an agreement with your Government pursuant to that section. It is understood that your Government would be required by the Act to terminate assistance if at any time it should find that my Government was not complying with such provisions of subsection 115(b) of the Act as your Government considered applicable. My Government is complying with and, for so long as assistance may be made available to it under the Act pursuant to your letter, is prepared to comply with all the applicable provisions of subsection 115(b) of the Act and is also engaged in continuous efforts to accomplish a joint recovery program through multilateral undertakings and the establishment of a continuing organization for this purpose.

My Government understands that, during the period covered by your letter, assistance may be furnished to my Government by grant. Pending the determination of terms of the future agreement between our two Governments under section 115(b) of the Act, deposits in the currency of my country in respect of any assistance which is designated by your Government as a grant will be made in accordance with the agreement between our two Governments under the Foreign Aid Act of 1947. These deposits may be used for administrative expenses of your Government in the currency of my country, incident to your Government's operations within my country under the Economic Cooperation Act of 1948 and for such other purposes as may be agreed to by our Governments. It is understood that the provisions of the future agreement between our two Governments concerning any deposits to be made pursuant to paragraph (6) of subsection 115(b) will apply with respect to all of such assistance for my Governments which is determined to have been made by grant during the period covered by your letter.

My Government notes with satisfaction that your Government will appoint a special mission for economic cooperation to my country. My Government will extend the same degree of cooperation to this mission that it has extended to the representatives of your Government concerned with the operations under the agreement concluded between our two Governments pursuant to the Foreign Aid Act of 1947.

I am authorized to state that my Government understands that the proposals contained in your letter do not constitute an obligation on the part of your Government to make assistance available to my country.

Accept [etc.]

DR. L. KLEINWAECHTER
Minister of Austria

Department of State Bulletin

Proposals Regarding China Aid Act of 1948

EXCHANGE OF NOTES BETWEEN SECRETARY MARSHALL AND AMBASSADOR KOO

[Released to the press May 3]

The text of Secretary Marshall's note:

April 30, 1948

EXCELLENCY:

I have the honor to communicate the following proposals regarding the China Aid Act of 1948 (Title IV of the Foreign Assistance Act of 1948), which became law on April 3, 1948.

Pending the conclusion of an agreement between China and the United States under Section 405 of the Act and until July 3, 1948, the Government of the United States proposes to arrange for the performance of those functions authorized by the Act which may be determined to be essential in furtherance of those purposes of the Act which apply to the funds authorized under Section 404(a) thereof. This action by the Government of the United States is contingent upon certain requirements, as hereinafter set forth, being fulfilled.

I should appreciate your notifying me whether your Government adheres to the purposes and policies set forth in Section 402 of the Act in furtherance of which the Act authorizes assistance to be provided, and also whether your Government intends to conclude an agreement with the United States in accordance with Section 405.

Pending the conclusion of such an agreement, my Government proposes that the extension of aid to China hereunder as authorized by Section 404(a) of the Act be provisionally governed by the Agreement between our two Governments dated October 27, 1947, subject to such modifications, particularly with respect to the types of assistance and the terms and methods of procurement and distribution, as may hereafter be agreed to by our two Governments, having regard to the different character of the assistance under said Act from the relief aid extended under the Agreement of October 27, 1947, and subject, as preliminary arrangements, to the understandings set forth below.

During the period covered by this letter, it is anticipated that assistance other than that relating to reconstruction projects will be furnished to your Government under the Act with funds authorized under Section 404(a) thereof by grant. Terms of payment, if any, for reconstruction assistance will be reserved for later determination.

I suggest that pending the determination of the

terms of the future agreement between our two Governments under Section 405 of the Act, deposits in the currency of your country in respect of any assistance furnished hereunder which is designated by my Government as a grant be made in accordance with the agreement between our two Governments dated October 27, 1947. I further suggest that these deposits may be used for administrative expenses of the Government of the United States in the currency of your country, incident to my Government's operations within your country under the China Aid Act of 1948, and for such other purposes as may be agreed upon by our two Governments. The provisions of the future agreement between our two Governments concerning any deposits in Chinese currency to be made will apply with respect to all of such assistance for your Government which is determined to have been made by grant during the period covered by this letter.

I trust that your Government will concur in the understandings expressed above.

The Act authorizes my Government to appoint a special mission for economic cooperation to your country. I should appreciate receiving the assurances of your Government that the fullest cooperation will be extended to the representatives of my Government concerned with operations in implementation of the Act.

I am sure your Government understands that the proposals set forth in this letter cannot be viewed as constituting an obligation on the part of my Government to make assistance available to your country.

Accept [etc.]

GEORGE C. MARSHALL

The text of Ambassador Koo's note:

April 30, 1948

SIR:

I have the honor to acknowledge the receipt of your note of April 30, 1948, in which you are good enough to inform me that in view of the China Aid Act of 1948 (Title IV of the Foreign Assistance Act of 1948) which became law on April 3, 1948, the Government of the United States, pending the conclusion of an agreement between China and the United States under Section 405 of the Act and until July 3, 1948, proposes to arrange for the performance of those functions authorized by the Act which may be determined to be essential in

May 16, 1948

furtherance of those purposes of the Act which apply to the funds authorized under Section 404(a) thereof, and that this action of the Government of the United States is contingent upon certain requirements, as therein set forth, being fulfilled.

In reply my Government has authorized me to inform you of its adherence to the purposes and policies set forth in Section 402 of the China Aid Act of 1948 in furtherance of which the Act authorizes assistance to be provided to China. My Government has also authorized me to inform you of its intention to conclude an agreement with the United States in accordance with Section 405 of the Act.

Pending the conclusion of such an agreement, it is understood by my Government that the extension, pursuant to your note, of aid to China hereunder as authorized by Section 404(a) of the Act will be provisionally governed by the Agreement between our two Governments dated October 27, 1947, subject to such modifications, particularly with respect to the types of assistance and the terms and methods of procurement and distribution, as may hereafter be agreed to by our two Governments, having regard to the different character of the assistance under said Act from the relief aid extended under the Agreement of October 27, 1947, and subject, as preliminary arrangements, to the understandings set forth below.

During the period covered by your note, it is anticipated that assistance other than that relating to the reconstruction projects will be furnished to my Government under the Act with funds authorized under Section 404(a) thereof by grant. Terms of payment, if any, for recon-

struction assistance will be reserved for later determination.

Pending the determination of the terms of the future agreement between our two Governments under Section 405 of the Act, deposits in the currency of my country in respect of any assistance furnished pursuant to your note which is designated by your Government as a grant will be made in accordance with the agreement between our two Governments dated October 27, 1947. These deposits may be used for administrative expenses of the Government of the United States in the currency of my country under the China Aid Act of 1948 and for such other purposes as may be agreed upon by our two Governments. The provisions of the future agreement between our two Governments concerning any deposits in Chinese currency to be made will apply with respect to all of such assistance for my Government which is determined to have been made by grant during the period covered by your note.

My Government concurs in the understanding expressed above.

My Government notes with satisfaction that your Government will appoint a special mission for economic cooperation to my country. I am authorized by my Government to assure you that the fullest cooperation will be extended to the representatives of your Government concerned with operations in implementation of the Act.

I am authorized to state that my Government understands that the proposals set forth in your note cannot be viewed as constituting an obligation on the part of your Government to make assistance available to my country.

Accept [etc.]

V. K. WELLINGTON KOO

First Report to Congress on the U.S. Foreign Aid Program

[Released to the press May 5]

The first report on the United States Foreign Aid Program under Public Law 389, transmitted by the President to the Congress on May 5, 1948, covers the period immediately before and during the brief period from the approval of the Foreign Aid Act on December 17, 1947, through December 31, 1947.

The report describes the administrative steps taken by the Department of State and by its overseas missions; the findings of the Cabinet Committee on World Food Programs; the negotiation of agreements with Austria, France, and Italy; the development of initial supply programs, procurement policies, and procedures for reimbursing the foreign governments for purchases made by them under the supply programs; and the establishment of local currency funds.

In his letter of transmittal to the Congress, President Truman noted:

"By its enactment of the Foreign Aid Act of 1947, the Congress provided the 'Interim Aid' to bridge the gap between the end of the United States Foreign Relief Program, authorized under Public Law 84, and the beginning of a general long-range recovery program.

"A break in the flow of supplies during this period could have irreparably jeopardized what the long-range recovery program is expected to accomplish. The effectiveness of Interim Aid has made it possible for the European Recovery Program to build on sure foundations which nowhere are undermined by the inevitable ravages of intolerable hunger and cold. No better proof is needed of the wisdom of providing this interim aid."

This report is publication 3119 of the Department of State. Copies may be obtained for 15 cents each from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

Department of State Bulletin

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

U.S. DELEGATION TO INTERNATIONAL ADMINISTRATIVE AERONAUTICAL RADIO CONFERENCE

[Released to the press May 3]

The Department of State announced on May 3 the composition of the United States Delegation to the International Administrative Aeronautical Radio Conference, which is scheduled to open at Geneva on May 15, 1948, and is expected to continue for approximately two months. The United States Delegation is as follows:

Chairman

Arthur L. Lebel, Assistant Chief, Telecommunications Division, Department of State

Vice Chairman

Edwin L. White, Chief, Aviation Division, Federal Communications Commission

Advisers

William J. Carnahan, Foreign Air Transport Division, Civil Aeronautics Board

James D. Flashman, Lieutenant Colonel, Department of the Air Force

Thomas N. Gautier, Physicist, Central Radio Propagation Laboratory, National Bureau of Standards, Department of Commerce

Daniel L. Givens, Chief, Communication-Operations Division, Honolulu, Civil Aeronautics Administration, Department of Commerce

Norman R. Hagen, United States Weather Bureau, American Embassy, London

Clinton W. Janes, Lieutenant Colonel, U.S.A., Chief Communications Liaison Branch, Office of the Chief Signal Officer, Department of the Army

William B. Krause, Lieutenant Commander, U.S.N., Aeronautical Communications Section, Office of the Chief of Naval Communications, Department of the Navy

Donald Mitchell, Chief, Technical Section, Aviation Division, Federal Communications Commission

Edmund V. Shores, Chief, Mobile Aeronautics Communications Center, Civil Aeronautics Administration, Department of Commerce

Florence A. Trail, Divisional Assistant, Telecommunications Division, Department of State

Secretary of Delegation

Ben F. Dixon, Division of International Conferences, Department of State

Industry Advisers

Theodore L. Bartlett, Coordinator of Aviation Activities, Radio Corporation of America, New York City

Walter E. Weaver, Assistant to Director, Frequency Division, Aeronautical Radio, Inc., Washington

The International Administrative Aeronautical Radio Conference has been called by the Administrative Council of the International Telecommunication Union. Invitations to attend the forthcoming conference have been sent to all govern-

ments signatories of the International Telecommunication Convention of Atlantic City, 1947.

The purpose of the Aeronautical Radio Conference is to develop a world-wide plan of specific assignment of the individual frequencies included in the bands allocated to the Aeronautical Mobile Service at Atlantic City.

A Preparatory Committee, on which the United States is represented, has been meeting at Geneva since April 24 to prepare the agenda for the Aeronautical Radio Conference and to consider the technical principles on which the frequency plan is to be based.

U.S. DELEGATION TO SIXTH CONGRESS OF INTERNATIONAL COLLEGE OF SURGEONS

[Released to the press May 6]

The Department of State announced on May 6 the composition of the United States Delegation to the Sixth International Congress of the International College of Surgeons scheduled to be held at Rome, May 18-23, 1948. The United States Delegation is as follows:

Chairman

Albert A. Berg, M.D., Director of Surgery, Beth Moses Hospital, Brooklyn

Delegates

O. Anderson Engh, M.D., Chief Orthopedic Consultant to U. S. Public Health Service Dispensary, Washington
James H. Forsee, Colonel (M.C.), U.S.A., Chief of the Surgical Service, Fitzsimmons General Hospital, Denver

Custis Lee Hall, M.D., Consultant in Orthopedic Surgery, U.S. Veterans Hospital, Washington

Robert F. Schultz, Commander (M.C.), U.S.N., Officer in Charge, Audio-Visual Training Section, Professional Division, Bureau of Medicine and Surgery, Department of the Navy

Max Thorek, M.D., Professor of Surgery, Cook County Graduate School of Medicine, Chicago

The program of the Congress will consist mainly of the presentation of reports and films covering scientific subjects in the various surgical fields and the visiting of hospitals, clinics, museums, and medical libraries.

The International College of Surgeons was established in 1935 for the purpose of fostering the international advancement of surgery. To carry out its aim, the organization has promoted within various countries the formation of boards in surgical specialties. The American Chapter of the College has approximately 2,500 members. The fifth Congress was held at Lima, Peru, in 1946.

May 16, 1948

Fifth Meeting of the Rubber Study Group

The Fifth Meeting of the Rubber Study Group, held in Washington under the chairmanship of Donald D. Kennedy, Chief, Division of International Resources, Department of State, ended on April 29, 1948.

The principal objects of the meeting were:

1. To examine the statistical position regarding production, consumption, and stocks of rubber throughout the world;
2. To review the world rubber situation in the light of the changes in that position since the Fourth Study Group Meeting, held at Paris in July 1947;
3. To consider measures designed to expand world consumption.

1. The Group examined the statistical position and made estimates for natural-rubber production and the total consumption of natural and synthetic rubber during the year 1948 and provisionally for 1949. During 1948 it was estimated that world production of natural rubber would be in the neighborhood of 1,390,000 tons while total consumption of natural and synthetic rubber might be in the region of 1,745,000 tons, of which about 1,310,000 tons would be natural rubber. In regard to 1949 it was estimated that natural-rubber production would be of the order of 1,550,000 tons, while total consumption of natural and synthetic might again be 1,745,000 tons.

Tables giving the estimates made by the Group are attached. The Group felt the need for projecting its estimates beyond the current year but the figures for 1949 should be treated with the greatest caution.

2. There was an exchange of views on the subject of the price of natural rubber. The discussion covered the field of commodity agreements, government control of the sale and purchase of natural rubber, and special arrangements for the purchase of natural rubber by governments from governments for stock-piling at fixed prices.

The Group reached the conclusion that the time had not arrived for any consideration or examination of a commodity agreement.

3. The Group continued its policy of examining all means for encouraging the expansion of the world consumption of rubber.

It considers that every effort consistent with national-security requirements should be made to insure that exchange and trading in rubber should be freed.

It again expressed the hope that maximum assistance would be given to the countries desiring to make an extensive use of rubber but which, on account of the war, cannot afford to pay in foreign currencies for the rubber imports they require.

TABLE I
Estimated Natural Rubber Production

[In thousands of long tons]

Territory	1948	1949
Malaya	675	700
Indonesia	370	400
Ceylon	90	90
Indochina	45	50
British Borneo	62	60
Burma	11	10
Liberia	25	20
Other countries	113	110
Total	1,391	1,540

TABLE II
Estimated Natural and Synthetic Rubber Consumption

[In thousands of long tons]

Territory	1948			1949
	Natural	Synthetic	Total	Total
U.S.A.	576	392	968	917
U.K.	205	5	210	220
France	93	9	102	117
Netherlands	12		12	14
Belgium	(1)	(1)	17	17
Czechoslovakia	(1)	(1)	16	10
Italy	(1)	(1)	28	30
Denmark	(1)	(1)	4	4
Hungary	(1)	(1)	3	3
Australia	(1)	(1)	24	20
Canada	33	20	53	49
Other countries	(1)	(1)	308	330
Total	1,000	745	1,745	1,747

¹ Synthetic consumption not given separately; total synthetic consumption for all countries so indicated estimated at around 7,000 tons.

In regard to natural-rubber latex, the Group estimated that the potential production for 1948, provided the increasing output is justified by demand, might be around 70,000 tons (dry-rubber content).

The following estimates for 1948 consumption of natural-rubber latex were submitted:

	Tons
U.S.A.	28,400
U.K.	10 to 12,000
France	5,000
Other countries	10 to 12,500
Total	55 to 60,000

Department of State Bulletin

Renewal of the Trade Agreements Act

STATEMENT BY GEORGE C. MARSHALL¹

Secretary of State

I appreciate this opportunity to give your Committee the reasons for my conviction that renewal of the trade-agreements authority for a further period of three years is highly important in the present state of world affairs. Mr. Clayton will give you the views of the Department in more detail. I will confine myself to a statement of the basic reasons why I regard the immediate renewal of this act as essential.

There are two economic and political systems in the world today. They are as wide apart as the poles. The system in which we and many other nations believe is predicated upon the right of individuals and nations to choose and pursue their own way of life without constraint from any government or group. Under this system the individual is of supreme importance, and the government should have only the powers which the people freely give it.

That system is being challenged by another system to the effect that the state should be supreme, and, on the contrary, that our way of life leads only to disintegration and depression, disillusion and despair. The proponents of the other system proclaim to the world that our system will not work. We must make clear to the world that it does work.

Because of our resources and our capabilities, and through force of circumstances, the United States has become the leader of the non-Communist world, the rallying point for the free nations of the earth. The Congress has recognized this in the enactment of the European Recovery Program, designed to assist the participating nations in the restoration of their economies so that they will be able to preserve their integrity and independence. The ERP is a mobilization for peace, meeting the challenge of an alien system by strengthening the hands of those nations that believe as we do.

The statute establishing the ERP provides that bilateral agreements shall be made with the participating nations. The statute states as one of the prime conditions that the participating nations must agree to cooperate in facilitating and stimulating the interchange of goods among themselves and between themselves and other nations, and must cooperate to reduce barriers to trade among themselves and between themselves and other nations. In effect, we require these 16 nations to enter into reciprocal trade agreements among them-

selves and between themselves and other nations. This is a wise provision because the recovery of Europe depends upon a great increase in the production of goods, and markets for these goods wait upon a lowering of barriers to the exchange of such goods.

The ERP was a vital step; but only a first step. We must now follow through with measures to make ourselves and the other free nations stronger. We must work closer together in commerce. No economic bond is closer than the friendly ties of mutually satisfactory trade. No force is more decisive than the introduction or maintenance of unnecessary barriers to such trade.

So the first fundamental reason for my conviction that renewal of the Trade Agreements Act is particularly important at this time is because that act is a well-tried, useful, and effective instrument by which we can further develop economic ties with other nations which believe as we do and want the kind of world that we want.

There is another reason for this conviction. We in the United States, perhaps more than in any other part of the world, believe in private enterprise. We are convinced that trade within our country and between our country and other nations can best be so conducted. And we further believe in equality of opportunity. As stated in the Atlantic Charter, every country should have equal access to the trade and raw materials of the world. There are, we must admit, some exceptions to this principle; we do not always follow it ourselves. But we sincerely believe it to be an objective which we should seek to achieve. I was referring to Cuba and the Philippines.

Since World War II economic conditions in most of the rest of the world have been chaotic in the extreme. Shortages have been the rule for most countries since the war as they were during the war. And during the war techniques for the control and direction of trade by governments have been brought to a high degree of perfection. Principally because of shortages of goods the international trade of a large part of the world has since the war been governed by bilateral agreements between governments. Imports and exports have been directed and controlled by governments as to

¹ Made before the Subcommittee on Tariffs and Reciprocal Trade of the House Ways and Means Committee on May 6.

source, destination, and quantity. In such a world the private trader is at a serious disadvantage, and in the long run would be forced out of business. Moreover, international trade cannot be controlled and directed by government in isolation from domestic trade. If international trade is to be controlled by government, the tentacles of such control must inevitably reach down into the operation of domestic trade. We do not want this to happen to the trade of the United States, either domestic or foreign.

And so the other great task confronting us in the economic field today is to build the kind of international trading conditions in which private trade can survive and grow. It is to this end that the United States has taken the lead since World War II in securing international agreement as to the rules which should govern international trade and the reduction of the barriers imposed by governments against that trade. It is for that reason that we have sought and obtained agreement that equality of opportunity rather than discrimination should be the rule, that quotas would not be used for protective purposes, and that tariffs would be maintained at moderate levels. If the international trade of the world cannot be

free from unnecessary obstacles over a wide area and if many countries do not participate in the pursuit of this objective, governments will have no choice but to continue their control over the direction of their international trade, to the detriment and perhaps the extinction of the private trader.

We have taken leadership in the world in every effort to keep the way open for private enterprise and if we surrender that leadership there does not appear to be any other country at present capable of assuming the leadership in the matter. The Trade Agreements Act which has been in force now for 14 years is the cornerstone and keystone of our foreign economic policy.

Any serious weakening of the Trade Agreements Act at this critical period in world affairs would almost certainly be regarded by other countries not only as a surrender of our leadership in the international economic field, but as a repudiation of much that has been accomplished under our leadership in that field.

The preservation of our leadership in this field depends upon the continuity and consistency of that policy.

General Agreement on Tariffs and Trade With China Proclaimed

The President issued on May 4 a proclamation putting into effect, with respect to China, as of May 22, 1948, the provisions of the general agreement on tariffs and trade.¹ The agreement was entered into last October 30 at Geneva with 22 other countries. The President's action followed receipt of information that the Government of China had signed the protocol of provisional application of the general agreement on April 21, 1948; pursuant to provision of the protocol, China will give effect to the agreement on the expiration of 30 days from date of signature.

China is the eleventh of the Geneva countries and the first country in the Far East to give effect to this agreement. The other countries which have done so, in addition to the United States, are the United Kingdom, France, Belgium, the Netherlands, Luxembourg, Canada, Australia, Cuba, and Czechoslovakia.

Under the general agreement, China grants concessions on products of interest to the United States representing approximately 52 million dollars in terms of 1939 trade. Existing import duties were reduced on such products as office machines, light trucks and chassis, canned milk, lubricating oil and grease, and tires and tubes; on an extensive list of other items, on which existing duties are

recognized for the most part to be generally lower rates were bound. These include such items of interest to the United States as cotton, tobacco, wheat, wheat flour, certain dried fruits, radio motor vehicles, except light trucks and chassis, agricultural machinery, pumps, refrigerators, machine tools, certain foodstuffs, and specified dyes.

China and the other contracting parties to the agreement are committed to certain limitations with respect to the application of quotas, import restrictions, exchange control, valuation for customs purposes, and the conduct of state trading. These provisions are important since they commit China as well as the other parties to the agreement to accord fair treatment to the trade of the United States.

The concessions on products of interest to China made by the United States in the general agreement, apply to commodities which represented approximately 62.3 million dollars in terms of 1939 trade. On products accounting for 37.8 million dollars of this trade, the United States concessions consist of bindings on the existing United States free list. (The total value of trade in 1939 on which the United States granted concessions is not directly comparable with the value of trade on which the United States obtained concessions.) United States imports from Hong Kong and

¹ Proclamation 2769 (13 Fed. Reg. 467).

Kwangtung in 1939 have been included in the value of trade on which the United States granted concessions, since it is believed that a considerable volume of United States imports from China passed in transit through these territories in that year. Strictly comparable figures, which would include imports from the United States into Kwangtung and imports from the United States entering China via Hong Kong, were not available because of differences in statistical classifications.) Among the items of principal interest to China on which United States tariff reductions are granted in the agreement are: antimony, tungsten, dried and frozen eggs, walnuts, hat braids, certain wearing apparel containing embroidery and lace, embroidered handkerchiefs, and certain oils. Continued duty-free entry is assured on such items as tung oil, raw silk, and certain furs and fur skins. The present duty on bristles is bound against increase. These concessions were granted only after public hearings and the most careful and considered deliberation by various Government agencies acting in consultation to assure that domestic producers would not suffer serious injury as a result of the concessions. If, however, as a result of unforeseen circumstances, any of these concessions should result in such increased imports from China as to cause or threaten serious injury to domestic producers in this country, the United States is free to withdraw or modify the concessions to the extent necessary to prevent or remedy the injury. This provision thus safeguards the interests of domestic producers in this country.

German Assets in Spain To Be Expropriated

[Released to the press May 8]

Negotiations which have taken place between Delegations of the Governments of the United Kingdom, France, and the United States of America on the one hand, and of the Government of Spain on the other, have now resulted in an accord relating to German assets in Spain which are to be expropriated as an economic potential susceptible of constituting danger to peace, and as an expression by the Spanish Government of their adherence to the principles of resolution VI of the conference of Bretton Woods. The accord is expected to be signed in Madrid on May 10.

German property in Spain and in Spanish possessions will be expropriated in accordance with a decree law to be promulgated. Compensation will be paid to the expropriated owners in Germany. To facilitate a final adjustment of trading and other past debts and claims between Germany and Spain, a portion of the proceeds of the expropriations will be paid to the Spanish Government. The balance will accrue to the Allies.

The accord does not affect German official property in Spain already delivered to the Allies, and applies only to the property in Spain and Spanish

possessions of Germans not resident in Spain to whom the previous blocking law of May 1945 continues to apply.

Agreement has been reached concerning identifiable looted gold acquired by the Spanish Government from Germany. The Spanish Government has stated that although it was not aware of the looted origin either at the time of acquisition or subsequently, it will make immediate restitution of all looted gold now identified as being in the possession of the Spanish Government and of any additional such gold found and claimed prior to April 30, 1949. As a result of this agreement, the international movement of gold held by the Spanish Government is now free from the restrictions of the Gold Declaration of February 22, 1944.

Signing of Income Tax Convention With Denmark

[Released to the press May 6]

A convention between the United States and Denmark for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed at Washington on May 6, 1948, by George C. Marshall, Secretary of State, and Henrik de Kauffmann, Danish Ambassador in Washington.

The provisions of the convention are similar in general to those contained in income-tax conventions now in force between the United States and the United Kingdom, Canada, France, and Sweden.

The convention provides that upon the exchange of instruments of ratification it shall be effective (a) in the case of United States tax, for the taxable years beginning on or after January 1 of the year in which the exchange takes place, and (b) in the case of Danish tax, for the taxable years beginning on or after April 1 of the year in which the exchange takes place.

Statement by Secretary Marshall

[Released to the press May 6]

Mr. Ambassador, in signing this treaty we have completed a long period of negotiations between our two countries for a treaty to eliminate double taxation upon income.

We believe that the system of exemptions and credits provided by this treaty—mutually beneficial to the citizens and enterprises of both countries—will go far to overcome, in the field of income taxation, one of the major obstacles to international trade and business.

It has been a pleasure for me to join with you in signing the treaty.

Educational Exchange Program Under Fulbright Act

AGREEMENT WITH GREECE SIGNED

[Released to the press May 3]

The Government of the United States and the Government of Greece signed in Athens on April 23 an agreement putting into operation the program of international educational exchanges authorized by the Fulbright act (Public Law 584, 79th Congress). This was the fourth agreement signed by the United States Government under the Fulbright act, the previous agreements having been signed with the Governments of China, Burma, and the Philippine Republic.¹

The agreement with the Greek Government establishes the United States Educational Foundation in Greece to administer certain funds resulting from the sale of surplus property to that country. The present agreement provides for an annual program of from \$100,000 to \$400,000 in Greek currency for certain educational purposes. These purposes include the financing of "studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Greece, or of the citizens of Greece in United States schools and institutions of higher learning located outside the continental United States . . . including payment for transportation, tuition, maintenance and other expenses incident to scholastic activities; or furnishing transportation for citizens of Greece who desire to attend United States schools and institutions of higher learning in the continental United States . . .

whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions."

The Foundation in Greece will have a seven-man board of directors consisting of the principal officer in charge of the United States Diplomatic Mission in Greece as honorary chairman; the chief public-affairs officer of the United States Embassy in Greece, or such other Embassy officer as designated by the Chief of Mission, as chairman; two other members of the Embassy staff; two citizens of the United States of America resident in Greece, and two nationals of Greece, one of whom shall be prominent in the field of education.

Information about specific opportunities for American citizens to pursue studies, teach, or do research in Greece will be made public in the near future. Further inquiries about these opportunities and requests for application forms should be addressed to the following three agencies: Institute of International Education, 2 West 43rd Street, New York 19, N.Y. (for graduate study); United States Office of Education, Washington 25, D.C. (for teaching in national elementary and secondary schools); and the Conference Board of Associated Research Councils, 2101 Constitution Avenue, NW., Washington 25, D.C. (for teaching at the college level, for post-doctoral research, and for teaching in American elementary and secondary schools in Greece).

GRANTS FOR CHINA UNDER FULBRIGHT ACT

The Department of State and the Board of Foreign Scholarships announce opportunities for grants to six American librarians to staff three library institutes to be established in cooperation with the American Library Association under the Fulbright program in China.

The institutes will be located at National Peiping University, Peiping; National College of Social Education, Soochow; and Lingnan University, Canton.

The staff of each of the institutes will consist of a senior librarian in charge and an assistant librarian. Applicants will be selected on the basis of successful experience in the field of library work and will serve for one year. A knowledge of the Chinese language is not required. Veterans will be given preference provided that their qualifications are approximately equal to those of other

candidates. Grants are payable in Chinese currency and will include salary and living allowance.

The United States Educational Foundation in China will have general supervision over the institutes. It is planned that each of the sponsoring universities will appoint an advisory committee of Chinese librarians to assist in arranging the programs and may assign Chinese librarians to assist in the work of the institutes.

The institutes will serve as a medium for the exchange of information between scholars, administrators, and librarians of China and those of the United States, especially in regard to the philosophy of librarianship and the functioning of libraries. The librarians selected will also give instruction in the technical processes of librarianship, especially in regard to selection and cataloging of western books, and will have an opportunity to visit regional libraries to observe and advise.

¹ BULLETIN of Apr. 11, p. 487.

United Nations Newsletter

The United Nations Newsletter is published monthly by the Department of Public Information, United Nations, Lake Success, New York. It is intended primarily for organizational and student groups with an interest in international affairs. The first issue is dated May 1948.

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Addresses on European Recovery Program

On April 19, George C. McGhee, Special Assistant to the Under Secretary and Coordinator for Aid to Greece and Turkey, made an address on aid to Greece before the East Texas Chamber of Commerce annual meeting held at Temple, Texas; for the text of this address, see Department of State press release 305 of April 19, 1948.

On April 26, Assistant Secretary Thorp made an address on the European Recovery Program before the American Supply and Machinery Manufacturers' Association, Inc., at Atlantic City, New Jersey; for the text of this address, see Department of State press release 321 of April 26, 1948.

PUBLICATIONS**Department of State**

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Narcotic Drugs. Treaties and Other International Acts Series 1671. Pub. 3006. iii, 60 pp. 20¢.

Protocol, with Annex, Between the United States and Other Governments; amending the agreements, conventions, and protocols of January 23, 1912, February 11, 1925, February 19, 1925, July 13, 1931, November 27, 1931, and June 26, 1936; ratified by the President July 15, 1947—protocol entered into force with respect to the United States August 12, 1947.

Health and Sanitation Cooperative Program in Peru. Treaties and Other International Acts Series 1673. Pub. 3017. 15 pp. 10¢.

Agreement Between the United States and Peru; extending the agreement of May 11, 1942, as amended, until June 30, 1948—effected by exchange of notes signed at Lima June 18 and 25, 1947; entered into force June 25, 1947, effective July 1, 1947.

Relief Assistance. Treaties and Other International Acts Series 1674. Pub. 3026. iii, 43 pp. 15¢.

Agreement and Exchange of Notes Between the United States and China—signed at Nanking October 27, 1947; entered into force October 27, 1947.

Foreign Service List, January 1, 1948. Pub. 3076. iv, 201 pp. 50¢. Subscription price \$1.00 a year; \$1.25 foreign.

A quarterly list of officers in the American Foreign Service, their classification, assignments, etc.; also description of consular districts and tariff of Foreign Service fees.

First Report to Congress on the United States Foreign Aid Program. Economic Cooperation Series 6. Pub. 3119. iv, 32 pp. 15¢.

For period ended December 31, 1947; contains statements on the basis for interim aid and on the administration and operation of the program; also includes the pertinent legal documents.

Statement by Austin—Continued from page 638

The organization is greatly hampered in its day-to-day work by the physical handicaps under which it is operating. It is unreasonable to ask the delegations and the Secretariat staff to continue indefinitely on the existing basis.

If work could be started on the new headquarters within the next few weeks, it might be possible for construction to reach a point where the fourth regular session of the General Assembly, to be convened in September 1949, might be held in the new quarters. (The third session, scheduled for September 21 next, will meet in Paris.) The entire group of structures could not be completed until a later date.

It is important for the prestige of the United Nations and the morale of the staff that the work go forward promptly. The members of the organization are eager to proceed.

It will be said that materials are scarce and construction costs high. Of course that is true. But can we be certain that structural materials will be more plentiful, or building costs lower, at any given future time? Already the United Nations has been forced to revise its plans once to remain within the 65-million-dollar ceiling.

Headquarters an Investment in Future

The headquarters project is an investment in hope, an investment in security and progress. It should be pressed forward without delay, as a token of the unshakeable will of this great nation always to lead in the quest for peace. By affirmative action on this bill, the Congress can do its part in the endeavor. It can reaffirm its faith in the United Nations.

May 16, 1948

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